

|                                 |   |                               |  |
|---------------------------------|---|-------------------------------|--|
| <i>SERFF Tracking Number:</i>   | <i>TRGR-125377279</i>                             | <i>State:</i>                 | <i>Arkansas</i>                          |
| <i>Filing Company:</i>          | <i>Southern Insurance Company</i>                 | <i>State Tracking Number:</i> | <i>#302177 \$50</i>                      |
| <i>Company Tracking Number:</i> | <i>07-208</i>                                     |                               |  |
| <i>TOI:</i>                     | <i>04.0 Homeowners</i>                            | <i>Sub-TOI:</i>               | <i>04.0003 Owner Occupied Homeowners</i> |
| <i>Product Name:</i>            | <i>Arkansas Home Protectors</i>                   |                               |  |
| <i>Project Name/Number:</i>     | <i>Initial Form and Endorsement Filing/07-208</i> |                               |  |

## Filing at a Glance

|  |                              |   |
|--|------------------------------|---|
| Company: Southern Insurance Company            | SERFF Tr Num: TRGR-125377279 | State: Arkansas   |
| Product Name: Arkansas Home Protectors         | SERFF Status: Closed         | State Tr Num: #302177 \$50                                      |
| TOI: 04.0 Homeowners                           | Co Tr Num: 07-208            | State Status: Fees verified and received                        |
| Sub-TOI: 04.0003 Owner Occupied Homeowners     | Co Status: Submitted         | Reviewer(s): Becky Harrington, Betty Montesi, Brittany Yielding |
| Filing Type: Form                              | Author: William Bradford     | Disposition Date: 01/11/2008                                    |
|  | Date Submitted: 12/07/2007   | Disposition Status: Approved                                    |
| Effective Date Requested (New): 02/01/2008     |                              | Effective Date (New): 02/01/2008                                |
| Effective Date Requested (Renewal): 02/01/2008 |                              | Effective Date (Renewal): 02/01/2008                            |

State Filing Description:

## General Information

|  |   |
|--|---|
| Project Name: Initial Form and Endorsement Filing  | Status of Filing in Domicile: Authorized                                    |
| Project Number: 07-208   | Domicile Status Comments: A similar low value program is approved in Texas. |
| Reference Organization: ISO  | Reference Number: H-2000-O00FR  |
| Reference Title: Homeowners 2000 Program   | Advisory Org. Circular: LI-HO-2000-255                                      |
| Filing Status Changed: 01/11/2008  |   |
| State Status Changed: 12/14/2007   | Deemer Date:  |
| Corresponding Filing Tracking Number:  |   |
| Filing Description:  |   |
| This is our initial filing to adopt forms and endorsements for our Arkansas Home Protectors Program. This is a low value dwelling program. |   |

The form we will use is the ISO HO 00 08. We will use several other standard ISO endorsements as well as company and program specific endorsements.

|                          |  |                        |                                   |
|--------------------------|--|------------------------|-----------------------------------|
| SERFF Tracking Number:   | TRGR-125377279                             | State:                 | Arkansas                          |
| Filing Company:          | Southern Insurance Company                 | State Tracking Number: | #302177 \$50                      |
| Company Tracking Number: | 07-208                                     |                        |                                   |
| TOI:                     | 04.0 Homeowners                            | Sub-TOI:               | 04.0003 Owner Occupied Homeowners |
| Product Name:            | Arkansas Home Protectors                   |                        |                                   |
| Project Name/Number:     | Initial Form and Endorsement Filing/07-208 |                        |                                   |

The references below for reference organization refer to the ISO endorsements.

## Company and Contact

### Filing Contact Information

|   |                                 |
|---|---------------------------------|
| William Bradford, Senior Products Filing Specialist | bill.bradford@republicgroup.com |
| 5525 LBJ Freeway                                    | (972) 788-6617 [Phone]          |
| Dallas, TX 75240                                    | (972) 788-6609[FAX]             |

### Filing Company Information

|                             |                                |                          |
|-----------------------------|--------------------------------|--------------------------|
| Southern Insurance Company  | CoCode: 19216                  | State of Domicile: Texas |
| 5525 LBJ Freeway            | Group Code: 3489               | Company Type:            |
| Dallas, TX 75240            | Group Name: The Republic Group | State ID Number:         |
| (972) 788-6001 ext. [Phone] | FEIN Number: 75-6021170        |                          |
|                             | -----                          |                          |

## Filing Fees

|                  |                  |
|------------------|------------------|
| Fee Required?    | Yes              |
| Fee Amount:      | \$50.00          |
| Retaliatory?     | No               |
| Fee Explanation: | \$50 x 1 company |
| Per Company:     | No               |

|              |              |            |
|--------------|--------------|------------|
| CHECK NUMBER | CHECK AMOUNT | CHECK DATE |
| 0000302177   | \$50.00      | 12/07/2007 |

|                                 |   |                               |  |
|---------------------------------|---|-------------------------------|--|
| <i>SERFF Tracking Number:</i>   | <i>TRGR-125377279</i>                             | <i>State:</i>                 | <i>Arkansas</i>                          |
| <i>Filing Company:</i>          | <i>Southern Insurance Company</i>                 | <i>State Tracking Number:</i> | <i>#302177 \$50</i>                      |
| <i>Company Tracking Number:</i> | <i>07-208</i>                                     |                               |  |
| <i>TOI:</i>                     | <i>04.0 Homeowners</i>                            | <i>Sub-TOI:</i>               | <i>04.0003 Owner Occupied Homeowners</i> |
| <i>Product Name:</i>            | <i>Arkansas Home Protectors</i>                   |                               |  |
| <i>Project Name/Number:</i>     | <i>Initial Form and Endorsement Filing/07-208</i> |                               |  |

## Correspondence Summary

### Dispositions

| Status  | Created By       | Created On | Date Submitted |
|---|------------------|------------|----------------|
| Approved                                      | Becky Harrington | 01/11/2008 | 01/11/2008     |
| <b>Objection Letters and Response Letters</b> |                  |            |                |

| Objection Letters |            |            |                | Response Letters |            |                |
|-------------------|------------|------------|----------------|------------------|------------|----------------|
| Status            | Created By | Created On | Date Submitted | Responded By     | Created On | Date Submitted |
| Pending           | Becky      | 12/10/2007 | 12/10/2007     | William Bradford | 01/11/2008 | 01/11/2008     |
| Industry          | Harrington |            |                |                  |            |                |
| Response          |            |            |                |                  |            |                |

### Amendments

| Item       | Schedule            | Created By       | Created On | Date Submitted |
|------------|---------------------|------------------|------------|----------------|
| Filing     | Supporting Document | William Bradford | 12/08/2007 | 12/08/2007     |
| Memorandum |                     |                  |            |                |

|                                 |   |                               |  |
|---------------------------------|---|-------------------------------|--|
| <i>SERFF Tracking Number:</i>   | <i>TRGR-125377279</i>                             | <i>State:</i>                 | <i>Arkansas</i>                          |
| <i>Filing Company:</i>          | <i>Southern Insurance Company</i>                 | <i>State Tracking Number:</i> | <i>#302177 \$50</i>                      |
| <i>Company Tracking Number:</i> | <i>07-208</i>                                     |                               |  |
| <i>TOI:</i>                     | <i>04.0 Homeowners</i>                            | <i>Sub-TOI:</i>               | <i>04.0003 Owner Occupied Homeowners</i> |
| <i>Product Name:</i>            | <i>Arkansas Home Protectors</i>                   |                               |  |
| <i>Project Name/Number:</i>     | <i>Initial Form and Endorsement Filing/07-208</i> |                               |  |

## Disposition

Disposition Date: 01/11/2008

Effective Date (New): 02/01/2008

Effective Date (Renewal): 02/01/2008

Status: Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: TRGR-125377279 State: Arkansas  
Filing Company: Southern Insurance Company State Tracking Number: #302177 \$50  
Company Tracking Number: 07-208  
TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners  
Product Name: Arkansas Home Protectors  
Project Name/Number: Initial Form and Endorsement Filing/07-208

| Item Type           | Item Name  | Item Status | Public Access |
|---------------------|--|-------------|---------------|
| Supporting Document | Uniform Transmittal Document-Property & Casualty   | Approved    | Yes           |
| Supporting Document | Filing Memorandum  | Approved    | Yes           |
| Form                | HOMEOWNERS 8 - MODIFIED COVERAGE FORM  | Approved    | Yes           |
| Form                | SPECIAL PROVISIONS - ARKANSAS  | Approved    | Yes           |
| Form                | ADDITIONAL INTERESTS - RESIDENCE PREMISES  | Approved    | Yes           |
| Form                | PREMISES ALARM OR FIRE PROTECTION SYSTEM   | Approved    | Yes           |
| Form                | ADDITIONAL INSURED - RESIDENCE PREMISES  | Approved    | Yes           |
| Form                | ACTUAL CASH VALUE LOSS SETTLEMENT  | Approved    | Yes           |
| Form                | NO SECTION II - LIABILITY COVERAGES FOR HOME DAY CARE BUSINESS LIMITED SECTION I - PROPERTY COVERAGES FOR HOME DAY CARE BUSINESS | Approved    | Yes           |
| Form                | ARKANSAS FRAUD STATEMENT   | Approved    | Yes           |
| Form                | Amendatory Mandatory Endorsement - Arkansas  | Approved    | Yes           |
| Form                | Amendatory Mandatory Asbestos and Lead Exclusion   | Approved    | Yes           |
| Form                | Notice to Policyholders  | Approved    | Yes           |
| Form (revised)      | Home Protectors Additional Extended Coverage - Limited Water Damage Protection   | Approved    | Yes           |
| Form                | Home Protectors Additional Extended Coverage - Limited Water Damage Protection   |             | Yes           |
| Form                | Exclusion of Cosmetic Damage to Roof Surfacing Caused by Hail  | Approved    | Yes           |
| Form                | Canine Exclusion Endorsement   | Approved    | Yes           |
| Form                | Animal Exclusion Endorsement   | Approved    | Yes           |
| Form                | Declarations Page  | Approved    | Yes           |

|                                 |   |                               |  |
|---------------------------------|---|-------------------------------|--|
| <i>SERFF Tracking Number:</i>   | <i>TRGR-125377279</i>                             | <i>State:</i>                 | <i>Arkansas</i>                          |
| <i>Filing Company:</i>          | <i>Southern Insurance Company</i>                 | <i>State Tracking Number:</i> | <i>#302177 \$50</i>                      |
| <i>Company Tracking Number:</i> | <i>07-208</i>                                     |                               |  |
| <i>TOI:</i>                     | <i>04.0 Homeowners</i>                            | <i>Sub-TOI:</i>               | <i>04.0003 Owner Occupied Homeowners</i> |
| <i>Product Name:</i>            | <i>Arkansas Home Protectors</i>                   |                               |  |
| <i>Project Name/Number:</i>     | <i>Initial Form and Endorsement Filing/07-208</i> |                               |  |

**Form**

**Privacy Notice**

**Approved**

**Yes**

SERFF Tracking Number: TRGR-125377279 State: Arkansas  
Filing Company: Southern Insurance Company State Tracking Number: #302177 \$50  
Company Tracking Number: 07-208  
TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners  
Product Name: Arkansas Home Protectors  
Project Name/Number: Initial Form and Endorsement Filing/07-208

## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 12/10/2007  
Submitted Date 12/10/2007

Respond By Date

Dear William Bradford,

This will acknowledge receipt of the captioned filing.

Objection 1

- Home Protectors Additional Extended Coverage - Limited Water Damage Protection (Form)

Comment:

This endorsement does not appear to comply with Bulletin 10-2002. Coverage for mold/fungus that is the result of any covered cause of loss must be provided.

Please feel free to contact me if you have questions.

Sincerely,

Becky Harrington

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 01/11/2008  
Submitted Date 01/11/2008

Dear Becky Harrington,

**Comments:**

### Response 1

Comments: We are revising this endorsement by adding language to clarify that ensuing loss from water damage is covered but that loss caused by mold, as well as remediation, is not covered. We believe this brings us into compliance with the referenced Bulletin.

Specifically, we have added:

a. "Fungi" or microbes, means the presence, growth, proliferation, spread or any activity of "fungi" or microbes. "Fungi" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products

SERFF Tracking Number: TRGR-125377279 State: Arkansas  
Filing Company: Southern Insurance Company State Tracking Number: #302177 \$50  
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TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners  
Product Name: Arkansas Home Protectors  
Project Name/Number: Initial Form and Endorsement Filing/07-208

produced or released by fungi.

This exclusion also applies to the cost:

- (1) To remove "fungi" or microbes from property covered under Section I – Property Coverages;
  - (2) To tear out and replace any part of the building or other covered property as needed to gain access to the "fungi" or microbes; and
  - (3) Of testing of air or property to confirm the absence, presence or level of "fungi" or microbes;
- b. Exclusion (3) a. applies unless the "fungi" or microbes are located upon the portion of covered property which must be repaired or replaced because of direct physical damage resulting from sudden and accidental discharge or overflow of water which would otherwise be covered under this endorsement.
- c. However, the exception to the exclusion described in (3) b. does not include:
- (1) The cost to treat, contain, remove or dispose of the "fungi" or microbes beyond that which is required to repair or replace the covered property physically damaged by water;
  - (2) The cost of any testing of air or property to confirm the absence, presence or level of "fungi" or microbes whether performed prior to, during or after removal, repair, restoration or replacement;
  - (3) The cost of any decontamination of the "residence premises"; and
  - (4) Any increase in loss under Coverage D – Loss of Use and Additional Coverage 1. Debris Removal resulting from c. (1), (2) and (3).

#### Related Objection 1

Applies To:

- Home Protectors Additional Extended Coverage - Limited Water Damage Protection (Form)

Comment:

This endorsement does not appear to comply with Bulletin 10-2002. Coverage for mold/fungus that is the result of any covered cause of loss must be provided.

#### Changed Items:

No Supporting Documents changed.

#### Form Schedule Item Changes

| Form Name  | Form Number | Edition Date | Form Type                            | Action | Action Specific Data | Readability Score | Attach Document           |
|--|-------------|--------------|--------------------------------------|--------|----------------------|-------------------|---------------------------|
| Home Protectors Additional Extended Coverage - Limited | HP 110      | 07 07        | Endorsement/AmendmentNew /Conditions |        |                      | 0                 | HP 110AR 02 08 Additional |



|                          |  |                        |                                   |
|--------------------------|--|------------------------|-----------------------------------|
| SERFF Tracking Number:   | TRGR-125377279                             | State:                 | Arkansas                          |
| Filing Company:          | Southern Insurance Company                 | State Tracking Number: | #302177 \$50                      |
| Company Tracking Number: | 07-208                                     |                        |                                   |
| TOI:                     | 04.0 Homeowners                            | Sub-TOI:               | 04.0003 Owner Occupied Homeowners |
| Product Name:            | Arkansas Home Protectors                   |                        |                                   |
| Project Name/Number:     | Initial Form and Endorsement Filing/07-208 |                        |                                   |

|                            |                               |
|----------------------------|-------------------------------|
| Water Damage<br>Protection | Extended<br>Coverage<br>2.pdf |
|----------------------------|-------------------------------|

**Previous Version**

|   |        |       |                          |   |  |
|---|--------|-------|--------------------------|---|--|
| Home Protectors   | HP 110 | 07 07 | Endorsement/AmendmentNew | 0 | HP 110 07  |
| Additional Extended<br>Coverage - Limited<br>Water Damage<br>Protection |        |       | /Conditions              |   | 07<br>Additional<br>Extended<br>Coverage.<br>pdf |

|                                 |   |                               |  |
|---------------------------------|---|-------------------------------|--|
| <i>SERFF Tracking Number:</i>   | <i>TRGR-125377279</i>                             | <i>State:</i>                 | <i>Arkansas</i>                          |
| <i>Filing Company:</i>          | <i>Southern Insurance Company</i>                 | <i>State Tracking Number:</i> | <i>#302177 \$50</i>                      |
| <i>Company Tracking Number:</i> | <i>07-208</i>                                     |                               |  |
| <i>TOI:</i>                     | <i>04.0 Homeowners</i>                            | <i>Sub-TOI:</i>               | <i>04.0003 Owner Occupied Homeowners</i> |
| <i>Product Name:</i>            | <i>Arkansas Home Protectors</i>                   |                               |  |
| <i>Project Name/Number:</i>     | <i>Initial Form and Endorsement Filing/07-208</i> |                               |  |

No Rate/Rule Schedule items changed.

Sincerely,  
William Bradford

*SERFF Tracking Number:*      *TRGR-125377279*      *State:*      *Arkansas*  
*Filing Company:*      *Southern Insurance Company*      *State Tracking Number:*      *#302177 \$50*  
*Company Tracking Number:*      *07-208*  
*TOI:*      *04.0 Homeowners*      *Sub-TOI:*      *04.0003 Owner Occupied Homeowners*  
*Product Name:*      *Arkansas Home Protectors*  
*Project Name/Number:*      *Initial Form and Endorsement Filing/07-208*

**Amendment Letter**

Amendment Date:

Submitted Date:      12/08/2007

**Comments:**

The Filing Memorandum was inadvertantly left out of the filing and is attached.

**Changed Items:**

**Supporting Document Schedule Item Changes:**

**User Added -Name: Filing Memorandum**

Comment:

Filing Memorandum AHP HO.pdf

SERFF Tracking Number: TRGR-125377279 State: Arkansas

Filing Company: Southern Insurance Company State Tracking Number: #302177 \$50

Company Tracking Number: 07-208

TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners

Product Name: Arkansas Home Protectors

Project Name/Number: Initial Form and Endorsement Filing/07-208

## Form Schedule

| Review Status | Form Name   | Form #   | Edition Date | Form Type Action                         | Action Specific Data | Readability | Attachment |
|---------------|---|----------|--------------|--|----------------------|-------------|------------|
| Approved      | HOMEOWNERS 8 - MODIFIED COVERAGE FORM   | HO 00 08 | 10 00        | Policy/CoveNew rage Form                 |                      | 0.00        | H0008.pdf  |
| Approved      | SPECIAL PROVISIONS - ARKANSAS   | HO 01 32 | 02 07        | Endorseme New nt/Amendm ent/Condi ti ons |                      | 0.00        | H01032.pdf |
| Approved      | ADDITIONAL INTERESTS - RESIDENCE PREMISES   | HO 04 10 | 10 00        | Endorseme New nt/Amendm ent/Condi ti ons |                      | 0.00        | H0410O.pdf |
| Approved      | PREMISES ALARM OR FIRE PROTECTION SYSTEM  | HO 04 16 | 10 00        | Endorseme New nt/Amendm ent/Condi ti ons |                      | 0.00        | HO0416.pdf |
| Approved      | ADDITIONAL INSURED - RESIDENCE PREMISES   | HO 04 41 | 10 00        | Endorseme New nt/Amendm ent/Condi ti ons |                      | 0.00        | H0441O.pdf |
| Approved      | ACTUAL CASH VALUE LOSS SETTLEMENT   | HO 04 81 | 10 00        | Endorseme New nt/Amendm ent/Condi ti ons |                      | 0.00        | H0481O.pdf |
| Approved      | NO SECTION II - LIABILITY COVERAGES FOR HOME DAY CARE BUSINESS LIMITED SECTION I - PROPERTY | HO 04 96 | 10 00        | Endorseme New nt/Amendm ent/Condi ti ons |                      | 0.00        | H0496O.pdf |

SERFF Tracking Number: TRGR-125377279 State: Arkansas  
Filing Company: Southern Insurance Company State Tracking Number: #302177 \$50  
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Product Name: Arkansas Home Protectors  
Project Name/Number: Initial Form and Endorsement Filing/07-208

COVERAGES  
FOR HOME DAY  
CARE  
BUSINESS

|          |  |              |       |  |      |  |
|----------|--|--------------|-------|--|------|--|
| Approved | ARKANSAS<br>FRAUD<br>STATEMENT   | IL N 016     | 09 03 | Disclosure/ New<br>Notice                      | 0.00 | ILN0169.pdf  |
| Approved | Amendatory<br>Mandatory<br>Endorsement -<br>Arkansas   | HP 120<br>AR | 02 08 | Endorseme New<br>nt/Amendm<br>ent/Condi<br>ons | 0.00 | HP 120AR<br>02 08<br>Amendatory<br>Mandatory<br>Endorsemen<br>t (2).pdf            |
| Approved | Amendatory<br>Mandatory<br>Asbestos and<br>Lead Exclusion  | HP 953       | 07 07 | Endorseme New<br>nt/Amendm<br>ent/Condi<br>ons | 0.00 | HP 953 07<br>07 Asbestos<br>and Lead<br>Excl.pdf                                   |
| Approved | Notice to<br>Policyholders   | PHAR 100     | 02 08 | Disclosure/ New<br>Notice                      | 0.00 | PHAR 100<br>EQ Notice to<br>Policyholder<br>s.pdf                                  |
| Approved | Home Protectors<br>Additional<br>Extended<br>Coverage -<br>Limited Water<br>Damage<br>Protection | HP 110       | 07 07 | Endorseme New<br>nt/Amendm<br>ent/Condi<br>ons | 0.00 | HP 110AR<br>02 08<br>Additional<br>Extended<br>Coverage2.p<br>df                   |
| Approved | Exclusion of<br>Cosmetic<br>Damage to Roof<br>Surfacing Caused<br>by Hail                        | HP 146       | 07 07 | Endorseme New<br>nt/Amendm<br>ent/Condi<br>ons | 0.00 | HP 146 07<br>07 Exclusion<br>of Cosmetic<br>Damage to<br>Roof<br>Coverings.p<br>df |
| Approved | Canine Exclusion<br>Endorsement  | RH 103       | 07 07 | Endorseme New<br>nt/Amendm<br>ent/Condi        | 0.00 | RH 103 07<br>07 Canine<br>Exclusion.pd   |

SERFF Tracking Number: TRGR-125377279 State: Arkansas  
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|          |                  |         |       |                 |      |              |
|----------|------------------|---------|-------|-----------------|------|--------------|
|          |                  |         |       | ons             |      | f            |
| Approved | Animal Exclusion | RH 105  | 07 07 | Endorseme New   | 0.00 | RH 105 07    |
|          | Endorsement      |         |       | nt/Amendm       |      | 07 Animal    |
|          |                  |         |       | ent/Condi       |      | Exclusion.pd |
|          |                  |         |       | ons             |      | f            |
| Approved | Declarations     | H-DEC   | 11 99 | Declaration New | 0.00 | HO dec.pdf   |
|          | Page             |         |       | s/Schedule      |      |              |
| Approved | Privacy Notice   | RP 2001 | 08 04 | Disclosure/ New | 0.00 | PR2001-      |
|          |                  |         |       | Notice          |      | 0804-CD.pdf  |



## HOMEOWNERS 8 – MODIFIED COVERAGE FORM

### AGREEMENT

We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.

### DEFINITIONS

- A.** In this policy, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse if a resident of the same household. "We", "us" and "our" refer to the Company providing this insurance.
- B.** In addition, certain words and phrases are defined as follows:
- 1.** "Aircraft Liability", "Hovercraft Liability", "Motor Vehicle Liability" and "Watercraft Liability", subject to the provisions in **b.** below, mean the following:
    - a.** Liability for "bodily injury" or "property damage" arising out of the:
      - (1)** Ownership of such vehicle or craft by an "insured";
      - (2)** Maintenance, occupancy, operation, use, loading or unloading of such vehicle or craft by any person;
      - (3)** Entrustment of such vehicle or craft by an "insured" to any person;
      - (4)** Failure to supervise or negligent supervision of any person involving such vehicle or craft by an "insured"; or
      - (5)** Vicarious liability, whether or not imposed by law, for the actions of a child or minor involving such vehicle or craft.
    - b.** For the purpose of this definition:
      - (1)** Aircraft means any contrivance used or designed for flight except model or hobby aircraft not used or designed to carry people or cargo;
      - (2)** Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;
      - (3)** Watercraft means a craft principally designed to be propelled on or in water by wind, engine power or electric motor; and
      - (4)** Motor vehicle means a "motor vehicle" as defined in **7.** below.
  - 2.** "Bodily injury" means bodily harm, sickness or disease, including required care, loss of services and death that results.
  - 3.** "Business" means:
    - a.** A trade, profession or occupation engaged in on a full-time, part-time or occasional basis; or
    - b.** Any other activity engaged in for money or other compensation, except the following:
      - (1)** One or more activities, not described in **(2)** through **(4)** below, for which no "insured" receives more than \$2,000 in total compensation for the 12 months before the beginning of the policy period;
      - (2)** Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;
      - (3)** Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or
      - (4)** The rendering of home day care services to a relative of an "insured".
  - 4.** "Employee" means an employee of an "insured", or an employee leased to an "insured" by a labor leasing firm under an agreement between an "insured" and the labor leasing firm, whose duties are other than those performed by a "residence employee".
  - 5.** "Insured" means:
    - a.** You and residents of your household who are:
      - (1)** Your relatives; or
      - (2)** Other persons under the age of 21 and in the care of any person named above;
    - b.** A student enrolled in school full time, as defined by the school, who was a resident of your household before moving out to attend school, provided the student is under the age of:
      - (1)** 24 and your relative; or
      - (2)** 21 and in your care or the care of a person described in **a.(1)** above; or



**c. Under Section II:**

- (1)** With respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft which are owned by you or any person included in **a.** or **b.** above. "Insured" does not mean a person or organization using or having custody of these animals or watercraft in the course of any "business" or without consent of the owner; or
- (2)** With respect to a "motor vehicle" to which this policy applies:
  - (a)** Persons while engaged in your employ or that of any person included in **a.** or **b.** above; or
  - (b)** Other persons using the vehicle on an "insured location" with your consent.

Under both Sections I and II, when the word an immediately precedes the word "insured", the words an "insured" together mean one or more "insureds".

**6. "Insured location" means:**

- a.** The "residence premises";
- b.** The part of other premises, other structures and grounds used by you as a residence; and
  - (1)** Which is shown in the Declarations; or
  - (2)** Which is acquired by you during the policy period for your use as a residence;
- c.** Any premises used by you in connection with a premises described in **a.** and **b.** above;
- d.** Any part of a premises:
  - (1)** Not owned by an "insured"; and
  - (2)** Where an "insured" is temporarily residing;
- e.** Vacant land, other than farm land, owned by or rented to an "insured";
- f.** Land owned by or rented to an "insured" on which a one, two, three or four family dwelling is being built as a residence for an "insured";
- g.** Individual or family cemetery plots or burial vaults of an "insured"; or

- h.** Any part of a premises occasionally rented to an "insured" for other than "business" use.

**7. "Motor vehicle" means:**

- a.** A self-propelled land or amphibious vehicle; or
- b.** Any trailer or semitrailer which is being carried on, towed by or hitched for towing by a vehicle described in **a.** above.

**8. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results, during the policy period, in:**

- a.** "Bodily injury"; or
- b.** "Property damage".

**9. "Property damage" means physical injury to, destruction of, or loss of use of tangible property.**

**10. "Residence employee" means:**

- a.** An employee of an "insured", or an employee leased to an "insured" by a labor leasing firm, under an agreement between an "insured" and the labor leasing firm, whose duties are related to the maintenance or use of the "residence premises", including household or domestic services; or
- b.** One who performs similar duties elsewhere not related to the "business" of an "insured".

A "residence employee" does not include a temporary employee who is furnished to an "insured" to substitute for a permanent "residence employee" on leave or to meet seasonal or short-term workload conditions.

**11. "Residence premises" means:**

- a.** The one family dwelling where you reside;
- b.** The two, three or four family dwelling where you reside in at least one of the family units; or
- c.** That part of any other building where you reside;

and which is shown as the "residence premises" in the Declarations.

"Residence premises" also includes other structures and grounds at that location.

## **DEDUCTIBLE**

Unless otherwise noted in this policy, the following deductible provision applies:

Subject to the policy limits that apply, we will pay only that part of the total of all loss payable under Section I that exceeds the deductible amount shown in the Declarations.

## **SECTION I – PROPERTY COVERAGES**

### **A. Coverage A – Dwelling**

1. We cover:
  - a. The dwelling on the "residence premises" shown in the Declarations, including structures attached to the dwelling; and
  - b. Materials and supplies located on or next to the "residence premises" used to construct, alter or repair the dwelling or other structures on the "residence premises".
2. We do not cover land, including land on which the dwelling is located.

### **B. Coverage B – Other Structures**

1. We cover other structures on the "residence premises" set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line, or similar connection.
2. We do not cover:
  - a. Land, including land on which the other structures are located;
  - b. Other structures rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage;
  - c. Other structures from which any "business" is conducted; or
  - d. Other structures used to store "business" property. However, we do cover a structure that contains "business" property solely owned by an "insured" or a tenant of the dwelling provided that "business" property does not include gaseous or liquid fuel, other than fuel in a permanently installed fuel tank of a vehicle or craft parked or stored in the structure.
3. The limit of liability for this coverage will not be more than 10% of the limit of liability that applies to Coverage A. Use of this coverage does not reduce the Coverage A limit of liability.

## **C. Coverage C – Personal Property**

### **1. Covered Property**

We cover personal property owned or used by an "insured" while on the "residence premises". After a loss and at your request, we will cover personal property owned by others while the property is on the part of the "residence premises" occupied by an "insured".

### **2. Limit For Property At Other Residences**

We also cover personal property owned or used by an "insured" while it is anywhere in the world but our limit of liability will not be more than 10% of the limit of liability for Coverage C or \$1,000, whichever is greater. However, this limitation does not apply to personal property:

- a. Moved from the "residence premises" because it is being repaired, renovated or rebuilt and is not fit to live in or store property in; or
- b. In a newly acquired principal residence for 30 days from the time you begin to move the property there.

### **3. Special Limits Of Liability**

The special limit for each category shown below is the total limit for each loss for all property in that category. These special limits do not increase the Coverage C limit of liability.

- a. \$200 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum other than platinumware, coins, medals, scrip, stored value cards and smart cards.
- b. \$1,500 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, personal records, passports, tickets and stamps. This dollar limit applies to these categories regardless of the medium (such as paper or computer software) on which the material exists.

This limit includes the cost to research, replace or restore the information from the lost or damaged material.
- c. \$1,500 on watercraft of all types, including their trailers, furnishings, equipment and outboard engines or motors.
- d. \$1,500 on trailers or semitrailers not used with watercraft of all types.

- e. \$2,500 on property, on the "residence premises", used primarily for "business" purposes.
- f. \$500 on property, away from the "residence premises", used primarily for "business" purposes. However, this limit does not apply to loss to electronic apparatus and other property described in Categories **g.** and **h.** below.
- g. \$1,500 on electronic apparatus and accessories, while in or upon a "motor vehicle", but only if the apparatus is equipped to be operated by power from the "motor vehicle's" electrical system while still capable of being operated by other power sources.

Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described in this Category **g.**

- h. \$1,500 on electronic apparatus and accessories used primarily for "business" while away from the "residence premises" and not in or upon a "motor vehicle". The apparatus must be equipped to be operated by power from the "motor vehicle's" electrical system while still capable of being operated by other power sources.

Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described in this Category **h.**

#### 4. Property Not Covered

We do not cover:

- a. Articles separately described and specifically insured, regardless of the limit for which they are insured, in this or other insurance;
- b. Animals, birds or fish;
- c. "Motor vehicles".

(1) This includes:

- (a) Their accessories, equipment and parts; or
- (b) Electronic apparatus and accessories designed to be operated solely by power from the electrical system of the "motor vehicle". Accessories include antennas, tapes, wires, records, discs or other media that can be used with any apparatus described above.

The exclusion of property described in (a) and (b) above applies only while such property is in or upon the "motor vehicle".

- (2) We do cover "motor vehicles" not required to be registered for use on public roads or property which are:

(a) Used solely to service an "insured's" residence; or

(b) Designed to assist the handicapped;

- d. Aircraft meaning any contrivance used or designed for flight including any parts whether or not attached to the aircraft.

We do cover model or hobby aircraft not used or designed to carry people or cargo;

- e. Hovercraft and parts. Hovercraft means a self-propelled motorized ground effect vehicle and includes, but is not limited to, flarecraft and air cushion vehicles;
- f. Property of roomers, boarders and other tenants, except property of roomers and boarders related to an "insured";
- g. Property in an apartment regularly rented or held for rental to others by an "insured";
- h. Property rented or held for rental to others off the "residence premises";
- i. "Business" data, including such data stored in:

(1) Books of account, drawings or other paper records; or

(2) Computers and related equipment.

We do cover the cost of blank recording or storage media, and of prerecorded computer programs available on the retail market;

- j. Credit cards, electronic fund transfer cards or access devices used solely for deposit, withdrawal or transfer of funds except as provided in **E.6.** Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money under Section **I** – Property Coverages; or

k. Water or steam.

#### D. Coverage D – Loss Of Use

The limit of liability for Coverage **D** is the total limit for the coverages in **1.** Additional Living Expense, **2.** Fair Rental Value and **3.** Civil Authority Prohibits Use below.

##### 1. Additional Living Expense

If a loss covered under Section **I** makes that part of the "residence premises" where you reside not fit to live in, we cover any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

Payment will be for the shortest time required to repair or replace the damage or, if you permanently relocate, the shortest time required for your household to settle elsewhere.

## **2. Fair Rental Value**

If a loss covered under Section I makes that part of the "residence premises" rented to others or held for rental by you not fit to live in, we cover the fair rental value of such premises less any expenses that do not continue while it is not fit to live in.

Payment will be for the shortest time required to repair or replace such premises.

## **3. Civil Authority Prohibits Use**

If a civil authority prohibits you from use of the "residence premises" as a result of direct damage to neighboring premises by a Peril Insured Against, we cover the loss as provided in 1. Additional Living Expense and 2. Fair Rental Value above for no more than two weeks.

## **4. Loss Or Expense Not Covered**

We do not cover loss or expense due to cancellation of a lease or agreement.

The periods of time under 1. Additional Living Expense, 2. Fair Rental Value and 3. Civil Authority Prohibits Use above are not limited by expiration of this policy.

# **E. Additional Coverages**

## **1. Debris Removal**

a. We will pay your reasonable expense for the removal of:

- (1) Debris of covered property if a Peril Insured Against that applies to the damaged property causes the loss; or
- (2) Ash, dust or particles from a volcanic eruption that has caused direct loss to a building or property contained in a building.

This expense is included in the limit of liability that applies to the damaged property.

b. We will also pay your reasonable expense, up to \$1,000, for the removal from the "residence premises" of:

- (1) Your tree(s) felled by the peril of Windstorm or Hail; or
- (2) A neighbor's tree(s) felled by a Peril Insured Against under Coverage C;  
provided the tree(s):
- (3) Damage(s) a covered structure; or

(4) Does not damage a covered structure, but:

- (a) Block(s) a driveway on the "residence premises" which prevent(s) a "motor vehicle", that is registered for use on public roads or property, from entering or leaving the "residence premises"; or
- (b) Block(s) a ramp or other fixture designed to assist a handicapped person to enter or leave the dwelling building.

The \$1,000 limit is the most we will pay in any one loss regardless of the number of fallen trees. No more than \$500 of this limit will be paid for the removal of any one tree.

This coverage is additional insurance.

## **2. Reasonable Repairs**

a. We will pay the reasonable cost incurred by you for the necessary measures taken solely to protect covered property that is damaged by a Peril Insured Against from further damage.

b. If the measures taken involve repair to other damaged property, we will only pay if that property is covered under this policy and the damage is caused by a Peril Insured Against. This coverage does not:

- (1) Increase the limit of liability that applies to the covered property; or
- (2) Relieve you of your duties, in case of a loss to covered property, described in B.4. under Section I – Conditions.

## **3. Trees, Shrubs And Other Plants**

We cover trees, shrubs, plants or lawns, on the "residence premises", for loss caused by the following Perils Insured Against:

- a. Fire or Lightning;
- b. Explosion;
- c. Riot or Civil Commotion;
- d. Aircraft;
- e. Vehicles not owned or operated by a resident of the "residence premises";
- f. Vandalism or Malicious Mischief; or
- g. Theft.

We will pay up to 5% of the limit of liability that applies to the dwelling for all trees, shrubs, plants or lawns. No more than \$250 of this limit will be paid for any one tree, shrub or plant. We do not cover property grown for "business" purposes.

This coverage is additional insurance.

#### 4. Fire Department Service Charge

We will pay up to \$500 for your liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a Peril Insured Against. We do not cover fire department service charges if the property is located within the limits of the city, municipality or protection district furnishing the fire department response.

This coverage is additional insurance. No deductible applies to this coverage.

#### 5. Property Removed

We insure covered property against direct loss from any cause while being removed from a premises endangered by a Peril Insured Against and for no more than 30 days while removed.

This coverage does not change the limit of liability that applies to the property being removed.

#### 6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money

a. We will pay up to \$500 for:

- (1) The legal obligation of an "insured" to pay because of the theft or unauthorized use of credit cards issued to or registered in an "insured's" name;
- (2) Loss resulting from theft or unauthorized use of an electronic fund transfer card or access device used for deposit, withdrawal or transfer of funds, issued to or registered in an "insured's" name;
- (3) Loss to an "insured" caused by forgery or alteration of any check or negotiable instrument; and
- (4) Loss to an "insured" through acceptance in good faith of counterfeit United States or Canadian paper currency.

All loss resulting from a series of acts committed by any one person or in which any one person is concerned or implicated is considered to be one loss.

This coverage is additional insurance. No deductible applies to this coverage.

b. We do not cover:

- (1) Use of a credit card, electronic fund transfer card or access device:
  - (a) By a resident of your household;
  - (b) By a person who has been entrusted with either type of card or access device; or

(c) If an "insured" has not complied with all terms and conditions under which the cards are issued or the devices accessed; or

(2) Loss arising out of "business" use or dishonesty of an "insured".

c. If the coverage in a. applies, the following defense provisions also apply:

(1) We may investigate and settle any claim or suit that we decide is appropriate. Our duty to defend a claim or suit ends when the amount we pay for the loss equals our limit of liability.

(2) If a suit is brought against an "insured" for liability under a.(1) or (2) above, we will provide a defense at our expense by counsel of our choice.

(3) We have the option to defend at our expense an "insured" or an "insured's" bank against any suit for the enforcement of payment under a.(3) above.

#### 7. Loss Assessment

a. We will pay up to \$1,000 for your share of loss assessment charged during the policy period against you, as owner or tenant of the "residence premises", by a corporation or association of property owners. The assessment must be made as a result of direct loss to property, owned by all members collectively, of the type that would be covered by this policy if owned by you, caused by a Peril Insured Against under Coverage A, other than:

(1) Earthquake; or

(2) Land shock waves or tremors before, during or after a volcanic eruption.

The limit of \$1,000 is the most we will pay with respect to any one loss, regardless of the number of assessments. We will only apply one deductible, per unit, to the total amount of any one loss to the property described above, regardless of the number of assessments.

b. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.

c. Paragraph P. Policy Period under Section I – Conditions does not apply to this coverage.

This coverage is additional insurance.

## 8. Glass Or Safety Glazing Material

### a. We cover:

- (1) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window;
- (2) The breakage of glass or safety glazing material which is part of a covered building, storm door or storm window when caused directly by earth movement; and
- (3) The direct physical loss to covered property caused solely by the pieces, fragments or splinters of broken glass or safety glazing material which is part of a building, storm door or storm window.

### b. This coverage does not include loss:

- (1) To covered property which results because the glass or safety glazing material has been broken, except as provided in **a.(3)** above; or
- (2) On the "residence premises" if the dwelling has been vacant for more than 60 consecutive days immediately before the loss, except when the breakage results directly from earth movement as provided in **a.(2)** above. A dwelling being constructed is not considered vacant.

### c. We will pay up to \$100 for loss under this coverage.

### d. This coverage does not increase the limit of liability that applies to the damaged property.

## SECTION I – PERILS INSURED AGAINST

We insure for direct physical loss to the property described in Coverages **A**, **B** and **C** caused by any of the following perils unless the loss is excluded in Section I – Exclusions.

### 1. Fire Or Lightning

### 2. Windstorm Or Hail

This peril includes loss to watercraft of all types and their trailers, furnishings, equipment, and outboard engines or motors, only while inside a fully enclosed building.

This peril does not include loss to the inside of a building or the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.

## 3. Explosion

## 4. Riot Or Civil Commotion

## 5. Aircraft

This peril includes self-propelled missiles and spacecraft.

## 6. Vehicles

This peril does not include loss caused by a vehicle owned or operated by a resident of the "residence premises".

## 7. Smoke

This peril means sudden and accidental damage from smoke, including the emission or puffback of smoke, soot, fumes or vapors from a boiler, furnace or related equipment.

This peril does not include loss caused by smoke from fireplaces or from agricultural smudging or industrial operations.

## 8. Vandalism Or Malicious Mischief

This peril does not include loss to property on the "residence premises", and any ensuing loss caused by any intentional and wrongful act committed in the course of the vandalism or malicious mischief, if the dwelling has been vacant for more than 60 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.

## 9. Theft

### a. This peril includes attempted theft and loss of property from a known place on the "residence premises" when it is likely that the property has been stolen.

### b. This peril does not include loss caused by theft:

- (1) Committed by an "insured";
- (2) In or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is finished and occupied;
- (3) From that part of a "residence premises" rented by an "insured" to someone other than another "insured"; or
- (4) That occurs off the "residence premises".

### c. Personal property contained in any bank, trust or safe deposit company or public warehouse will be considered on the "residence premises".

### d. Our liability will not be more than \$1,000 in any one loss caused by theft.

## 10. Volcanic Eruption

This peril does not include loss caused by earthquake, land shock waves or tremors.

## SECTION I – EXCLUSIONS

We do not insure for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

### 1. Ordinance Or Law

Ordinance Or Law means any ordinance or law:

- a. Requiring or regulating the construction, demolition, remodeling, renovation or repair of property, including removal of any resulting debris;
- b. The requirements of which result in a loss in value to property; or
- c. Requiring any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This Exclusion 1. applies whether or not the property has been physically damaged.

### 2. Earth Movement

Earth Movement means:

- a. Earthquake, including land shock waves or tremors before, during or after a volcanic eruption;
- b. Landslide, mudslide or mudflow;
- c. Subsidence or sinkhole; or
- d. Any other earth movement including earth sinking, rising or shifting;

caused by or resulting from human or animal forces or any act of nature unless direct loss by fire or explosion ensues and then we will pay only for the ensuing loss.

This Exclusion 2. does not apply to loss by theft.

### 3. Water Damage

Water Damage means:

- a. Flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind;
- b. Water or water-borne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment; or

- c. Water or water-borne material below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure;

caused by or resulting from human or animal forces or any act of nature.

Direct loss by fire, explosion or theft resulting from water damage is covered.

### 4. Power Failure

Power Failure means the failure of power or other utility service if the failure takes place off the "residence premises". But if the failure results in a loss, from a Peril Insured Against on the "residence premises", we will pay for the loss caused by that peril.

### 5. Neglect

Neglect means neglect of an "insured" to use all reasonable means to save and preserve property at and after the time of a loss.

### 6. War

War includes the following and any consequence of any of the following:

- a. Undeclared war, civil war, insurrection, rebellion or revolution;
- b. Warlike act by a military force or military personnel; or
- c. Destruction, seizure or use for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental.

### 7. Nuclear Hazard

This Exclusion 7. pertains to Nuclear Hazard to the extent set forth in **M. Nuclear Hazard Clause** under Section I – Conditions.

### 8. Intentional Loss

Intentional Loss means any loss arising out of any act an "insured" commits or conspires to commit with the intent to cause a loss.

In the event of such loss, no "insured" is entitled to coverage, even "insureds" who did not commit or conspire to commit the act causing the loss.

### 9. Governmental Action

Governmental Action means the destruction, confiscation or seizure of property described in Coverage **A**, **B** or **C** by order of any governmental or public authority.

This exclusion does not apply to such acts ordered by any governmental or public authority that are taken at the time of a fire to prevent its spread, if the loss caused by fire would be covered under this policy.

## **SECTION I – CONDITIONS**

### **A. Insurable Interest And Limit Of Liability**

Even if more than one person has an insurable interest in the property covered, we will not be liable in any one loss:

1. To an "insured" for more than the amount of such "insured's" interest at the time of loss; or
2. For more than the applicable limit of liability.

### **B. Duties After Loss**

In case of a loss to covered property, we have no duty to provide coverage under this policy if the failure to comply with the following duties is prejudicial to us. These duties must be performed either by you, an "insured" seeking coverage, or a representative of either:

1. Give prompt notice to us or our agent;
2. Notify the police in case of loss by theft;
3. Notify the credit card or electronic fund transfer card or access device company in case of loss as provided for in **E.6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money under Section I – Property Coverages**;
4. Protect the property from further damage. If repairs to the property are required, you must:
  - a. Make reasonable and necessary repairs to protect the property; and
  - b. Keep an accurate record of repair expenses;
5. Cooperate with us in the investigation of a claim;
6. Prepare an inventory of damaged personal property showing the quantity, description, actual cash value and amount of loss. Attach all bills, receipts and related documents that justify the figures in the inventory;
7. As often as we reasonably require:
  - a. Show the damaged property;
  - b. Provide us with records and documents we request and permit us to make copies; and
  - c. Submit to examination under oath, while not in the presence of another "insured", and sign the same;
8. Send to us, within 60 days after our request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:
  - a. The time and cause of loss;
  - b. The interests of all "insureds" and all others in the property involved and all liens on the property;
  - c. Other insurance which may cover the loss;

- d. Changes in title or occupancy of the property during the term of the policy;
- e. Specifications of damaged buildings and detailed repair estimates;
- f. The inventory of damaged personal property described in **6.** above;
- g. Receipts for additional living expenses incurred and records that support the fair rental value loss; and
- h. Evidence or affidavit that supports a claim under **E.6. Credit Card, Electronic Fund Transfer Card Or Access Device, Forgery And Counterfeit Money under Section I – Property Coverages**, stating the amount and cause of loss.

### **C. Loss Settlement**

Covered property losses are settled as follows:

1. Property of the following types:
  - a. Personal property;
  - b. Awnings, carpeting, household appliances, outdoor antennas and outdoor equipment, whether or not attached to buildings; and
  - c. Structures that are not buildings;at actual cash value at the time of loss but not more than the amount required to repair or replace.
2. Buildings under Coverage **A** or **B**:
  - a. If you repair or replace the loss to restore the building structure for the same occupancy and use at the same site within 180 days of the date of loss, we will pay the lesser of the following amounts:
    - (1) The limit of liability that applies to the damaged or destroyed building structure; or
    - (2) The necessary amount actually spent to repair or replace the loss to the building structure but no more than the cost of using common construction materials and methods where functionally equivalent to and less costly than obsolete, antique or custom construction materials and methods.
  - b. If you do not make claim under Paragraph **a.** above, we will pay the least of the following amounts:
    - (1) The limit of liability that applies to the damaged or destroyed building structure;
    - (2) The market value at the time of loss of the damaged or destroyed building structure exclusive of land value; or



- (3) The amount which it would cost to repair or replace that part of the building structure damaged or destroyed with material of like kind and quality less allowance for physical deterioration and depreciation.

In this provision, the terms "repair" or "replace" do not include the increased costs incurred to comply with the enforcement of any ordinance or law, except to the extent that coverage for these increased costs is added to this policy.

#### **D. Loss To A Pair Or Set**

In case of loss to a pair or set we may elect to:

1. Repair or replace any part to restore the pair or set to its value before the loss; or
2. Pay the difference between actual cash value of the property before and after the loss.

#### **E. Appraisal**

If you and we fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a competent and impartial appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.

Each party will:

1. Pay its own appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

#### **F. Other Insurance And Service Agreement**

If a loss covered by this policy is also covered by:

1. Other insurance, we will pay only the proportion of the loss that the limit of liability that applies under this policy bears to the total amount of insurance covering the loss; or
2. A service agreement, this insurance is excess over any amounts payable under any such agreement. Service agreement means a service plan, property restoration plan, home warranty or other similar service warranty agreement, even if it is characterized as insurance.

#### **G. Suit Against Us**

No action can be brought against us unless there has been full compliance with all of the terms under Section I of this policy and the action is started within two years after the date of loss.

#### **H. Our Option**

If we give you written notice within 30 days after we receive your signed, sworn proof of loss, we may repair or replace any part of the damaged property with material or property of like kind and quality.

#### **I. Loss Payment**

We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 60 days after we receive your proof of loss and:

1. Reach an agreement with you;
2. There is an entry of a final judgment; or
3. There is a filing of an appraisal award with us.

#### **J. Abandonment Of Property**

We need not accept any property abandoned by an "insured".

#### **K. Mortgage Clause**

1. If a mortgagee is named in this policy, any loss payable under Coverage A or B will be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment will be the same as the order of precedence of the mortgages.
2. If we deny your claim, that denial will not apply to a valid claim of the mortgagee, if the mortgagee:
  - a. Notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
  - b. Pays any premium due under this policy on demand if you have neglected to pay the premium; and
  - c. Submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Paragraphs E. Appraisal, G. Suit Against Us and I. Loss Payment under Section I – Conditions above also apply to the mortgagee.
3. If we decide to cancel or not to renew this policy, the mortgagee will be notified at least 10 days before the date cancellation or nonrenewal takes effect.
4. If we pay the mortgagee for any loss and deny payment to you:
  - a. We are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or

b. At our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we will receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

5. Subrogation will not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

#### **L. No Benefit To Bailee**

We will not recognize any assignment or grant any coverage that benefits a person or organization holding, storing or moving property for a fee regardless of any other provision of this policy.

#### **M. Nuclear Hazard Clause**

1. "Nuclear Hazard" means any nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.
2. Loss caused by the nuclear hazard will not be considered loss caused by fire, explosion, or smoke, whether these perils are specifically named in or otherwise included within the Perils Insured Against.
3. This policy does not apply under Section I to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

#### **N. Recovered Property**

If you or we recover any property for which we have made payment under this policy, you or we will notify the other of the recovery. At your option, the property will be returned to or retained by you or it will become our property. If the recovered property is returned to or retained by you, the loss payment will be adjusted based on the amount you received for the recovered property.

#### **O. Volcanic Eruption Period**

One or more volcanic eruptions that occur within a 72 hour period will be considered as one volcanic eruption.

#### **P. Policy Period**

This policy applies only to loss which occurs during the policy period.

#### **Q. Concealment Or Fraud**

We provide coverage to no "insureds" under this policy if, whether before or after a loss, an "insured" has:

1. Intentionally concealed or misrepresented any material fact or circumstance;
  2. Engaged in fraudulent conduct; or
  3. Made false statements;
- relating to this insurance.

#### **R. Loss Payable Clause**

If the Declarations show a loss payee for certain listed insured personal property, the definition of "insured" is changed to include that loss payee with respect to that property.

If we decide to cancel or not renew this policy, that loss payee will be notified in writing.

### **SECTION II – LIABILITY COVERAGES**

#### **A. Coverage E – Personal Liability**

If a claim is made or a suit is brought against an "insured" for damages because of "bodily injury" or "property damage" caused by an "occurrence" to which this coverage applies, we will:

1. Pay up to our limit of liability for the damages for which an "insured" is legally liable. Damages include prejudgment interest awarded against an "insured"; and
2. Provide a defense at our expense by counsel of our choice, even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate. Our duty to settle or defend ends when our limit of liability for the "occurrence" has been exhausted by payment of a judgment or settlement.

#### **B. Coverage F – Medical Payments To Others**

We will pay the necessary medical expenses that are incurred or medically ascertained within three years from the date of an accident causing "bodily injury". Medical expenses means reasonable charges for medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, prosthetic devices and funeral services. This coverage does not apply to you or regular residents of your household except "residence employees". As to others, this coverage applies only:

1. To a person on the "insured location" with the permission of an "insured"; or
2. To a person off the "insured location", if the "bodily injury":
  - a. Arises out of a condition on the "insured location" or the ways immediately adjoining;
  - b. Is caused by the activities of an "insured";
  - c. Is caused by a "residence employee" in the course of the "residence employee's" employment by an "insured"; or
  - d. Is caused by an animal owned by or in the care of an "insured".

## SECTION II – EXCLUSIONS

### A. "Motor Vehicle Liability"

1. Coverages **E** and **F** do not apply to any "motor vehicle liability" if, at the time and place of an "occurrence", the involved "motor vehicle":
  - a. Is registered for use on public roads or property;
  - b. Is not registered for use on public roads or property, but such registration is required by a law, or regulation issued by a government agency, for it to be used at the place of the "occurrence"; or
  - c. Is being:
    - (1) Operated in, or practicing for, any prearranged or organized race, speed contest or other competition;
    - (2) Rented to others;
    - (3) Used to carry persons or cargo for a charge; or
    - (4) Used for any "business" purpose except for a motorized golf cart while on a golfing facility.
2. If Exclusion **A.1.** does not apply, there is still no coverage for "motor vehicle liability" unless the "motor vehicle" is:
  - a. In dead storage on an "insured location";
  - b. Used solely to service an "insured's" residence;
  - c. Designed to assist the handicapped and, at the time of an "occurrence", it is:
    - (1) Being used to assist a handicapped person; or
    - (2) Parked on an "insured location";
  - d. Designed for recreational use off public roads and:
    - (1) Not owned by an "insured"; or
    - (2) Owned by an "insured" provided the "occurrence" takes place on an "insured location" as defined in Definitions **B.6.a.**, **b.**, **d.**, **e.** or **h.**; or
  - e. A motorized golf cart that is owned by an "insured", designed to carry up to 4 persons, not built or modified after manufacture to exceed a speed of 25 miles per hour on level ground and, at the time of an "occurrence", is within the legal boundaries of:
    - (1) A golfing facility and is parked or stored there, or being used by an "insured" to:
      - (a) Play the game of golf or for other recreational or leisure activity allowed by the facility;

(b) Travel to or from an area where "motor vehicles" or golf carts are parked or stored; or

(c) Cross public roads at designated points to access other parts of the golfing facility; or

(2) A private residential community, including its public roads upon which a motorized golf cart can legally travel, which is subject to the authority of a property owners association and contains an "insured's" residence.

### B. "Watercraft Liability"

1. Coverages **E** and **F** do not apply to any "watercraft liability" if, at the time of an "occurrence", the involved watercraft is being:
  - a. Operated in, or practicing for, any prearranged or organized race, speed contest or other competition. This exclusion does not apply to a sailing vessel or a predicted log cruise;
  - b. Rented to others;
  - c. Used to carry persons or cargo for a charge; or
  - d. Used for any "business" purpose.
2. If Exclusion **B.1.** does not apply, there is still no coverage for "watercraft liability" unless, at the time of the "occurrence", the watercraft:
  - a. Is stored;
  - b. Is a sailing vessel, with or without auxiliary power, that is:
    - (1) Less than 26 feet in overall length; or
    - (2) 26 feet or more in overall length and not owned by or rented to an "insured"; or
  - c. Is not a sailing vessel and is powered by:
    - (1) An inboard or inboard-outdrive engine or motor, including those that power a water jet pump, of:
      - (a) 50 horsepower or less and not owned by an "insured"; or
      - (b) More than 50 horsepower and not owned by or rented to an "insured"; or
    - (2) One or more outboard engines or motors with:
      - (a) 25 total horsepower or less;
      - (b) More than 25 horsepower if the outboard engine or motor is not owned by an "insured";
      - (c) More than 25 horsepower if the outboard engine or motor is owned by an "insured" who acquired it during the policy period; or

(d) More than 25 horsepower if the outboard engine or motor is owned by an "insured" who acquired it before the policy period, but only if:

- (i) You declare them at policy inception; or
- (ii) Your intent to insure them is reported to us in writing within 45 days after you acquire them.

The coverages in (c) and (d) above apply for the policy period.

Horsepower means the maximum power rating assigned to the engine or motor by the manufacturer.

### **C. "Aircraft Liability"**

This policy does not cover "aircraft liability".

### **D. "Hovercraft Liability"**

This policy does not cover "hovercraft liability".

### **E. Coverage E – Personal Liability And Coverage F – Medical Payments To Others**

Coverages E and F do not apply to the following:

#### **1. Expected Or Intended Injury**

"Bodily injury" or "property damage" which is expected or intended by an "insured" even if the resulting "bodily injury" or "property damage":

- a. Is of a different kind, quality or degree than initially expected or intended; or
- b. Is sustained by a different person, entity, real or personal property, than initially expected or intended.

However, this Exclusion E.1. does not apply to "bodily injury" resulting from the use of reasonable force by an "insured" to protect persons or property;

#### **2. "Business"**

- a. "Bodily injury" or "property damage" arising out of or in connection with a "business" conducted from an "insured location" or engaged in by an "insured", whether or not the "business" is owned or operated by an "insured" or employs an "insured".

This Exclusion E.2. applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the "business".

- b. This Exclusion E.2. does not apply to:

- (1) The rental or holding for rental of an "insured location";

- (a) On an occasional basis if used only as a residence;

- (b) In part for use only as a residence, unless a single family unit is intended for use by the occupying family to lodge more than two roomers or boarders; or

- (c) In part, as an office, school, studio or private garage; and

- (2) An "insured" under the age of 21 years involved in a part-time or occasional, self-employed "business" with no employees;

### **3. Professional Services**

"Bodily injury" or "property damage" arising out of the rendering of or failure to render professional services;

### **4. "Insured's" Premises Not An "Insured Location"**

"Bodily injury" or "property damage" arising out of a premises:

- a. Owned by an "insured";
- b. Rented to an "insured"; or
- c. Rented to others by an "insured"; that is not an "insured location";

### **5. War**

"Bodily injury" or "property damage" caused directly or indirectly by war, including the following and any consequence of any of the following:

- a. Undeclared war, civil war, insurrection, rebellion or revolution;
- b. Warlike act by a military force or military personnel; or
- c. Destruction, seizure or use for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental;

### **6. Communicable Disease**

"Bodily injury" or "property damage" which arises out of the transmission of a communicable disease by an "insured";

### **7. Sexual Molestation, Corporal Punishment Or Physical Or Mental Abuse**

"Bodily injury" or "property damage" arising out of sexual molestation, corporal punishment or physical or mental abuse; or

## 8. Controlled Substance

"Bodily injury" or "property damage" arising out of the use, sale, manufacture, delivery, transfer or possession by any person of a Controlled Substance as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812. Controlled Substances include but are not limited to cocaine, LSD, marijuana and all narcotic drugs. However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.

Exclusions **A.** "Motor Vehicle Liability", **B.** "Watercraft Liability", **C.** "Aircraft Liability", **D.** "Hovercraft Liability" and **E.4.** "Insured's" Premises Not An "Insured Location" do not apply to "bodily injury" to a "residence employee" arising out of and in the course of the "residence employee's" employment by an "insured".

## F. Coverage E – Personal Liability

Coverage **E** does not apply to:

### 1. Liability:

**a.** For any loss assessment charged against you as a member of an association, corporation or community of property owners, except as provided in **D.** Loss Assessment under Section **II** – Additional Coverages;

**b.** Under any contract or agreement entered into by an "insured". However, this exclusion does not apply to written contracts:

(1) That directly relate to the ownership, maintenance or use of an "insured location"; or

(2) Where the liability of others is assumed by you prior to an "occurrence";

unless excluded in **a.** above or elsewhere in this policy;

**2.** "Property damage" to property owned by an "insured". This includes costs or expenses incurred by an "insured" or others to repair, replace, enhance, restore or maintain such property to prevent injury to a person or damage to property of others, whether on or away from an "insured location";

**3.** "Property damage" to property rented to, occupied or used by or in the care of an "insured". This exclusion does not apply to "property damage" caused by fire, smoke or explosion;

**4.** "Bodily injury" to any person eligible to receive any benefits voluntarily provided or required to be provided by an "insured" under any:

**a.** Workers' compensation law;

**b.** Non-occupational disability law; or

**c.** Occupational disease law;

**5.** "Bodily injury" or "property damage" for which an "insured" under this policy:

**a.** Is also an insured under a nuclear energy liability policy issued by the:

(1) Nuclear Energy Liability Insurance Association;

(2) Mutual Atomic Energy Liability Underwriters;

(3) Nuclear Insurance Association of Canada;

or any of their successors; or

**b.** Would be an insured under such a policy but for the exhaustion of its limit of liability; or

**6.** "Bodily injury" to you or an "insured" as defined under Definitions **5.a.** or **b.**

This exclusion also applies to any claim made or suit brought against you or an "insured":

**a.** To repay; or

**b.** Share damages with;

another person who may be obligated to pay damages because of "bodily injury" to an "insured".

## G. Coverage F – Medical Payments To Others

Coverage **F** does not apply to "bodily injury":

**1.** To a "residence employee" if the "bodily injury":

**a.** Occurs off the "insured location"; and

**b.** Does not arise out of or in the course of the "residence employee's" employment by an "insured";

**2.** To any person eligible to receive benefits voluntarily provided or required to be provided under any:

**a.** Workers' compensation law;

**b.** Non-occupational disability law; or

**c.** Occupational disease law;

**3.** From any:

**a.** Nuclear reaction;

**b.** Nuclear radiation; or

**c.** Radioactive contamination;

all whether controlled or uncontrolled or however caused; or

**d.** Any consequence of any of these; or

**4.** To any person, other than a "residence employee" of an "insured", regularly residing on any part of the "insured location".

## SECTION II – ADDITIONAL COVERAGES

We cover the following in addition to the limits of liability:

### A. Claim Expenses

We pay:

1. Expenses we incur and costs taxed against an "insured" in any suit we defend;
2. Premiums on bonds required in a suit we defend, but not for bond amounts more than the Coverage E limit of liability. We need not apply for or furnish any bond;
3. Reasonable expenses incurred by an "insured" at our request, including actual loss of earnings (but not loss of other income) up to \$250 per day, for assisting us in the investigation or defense of a claim or suit; and
4. Interest on the entire judgment which accrues after entry of the judgment and before we pay or tender, or deposit in court that part of the judgment which does not exceed the limit of liability that applies.

### B. First Aid Expenses

We will pay expenses for first aid to others incurred by an "insured" for "bodily injury" covered under this policy. We will not pay for first aid to an "insured".

### C. Damage To Property Of Others

1. We will pay, at replacement cost, up to \$1,000 per "occurrence" for "property damage" to property of others caused by an "insured".
2. We will not pay for "property damage":
  - a. To the extent of any amount recoverable under Section I;
  - b. Caused intentionally by an "insured" who is 13 years of age or older;
  - c. To property owned by an "insured";
  - d. To property owned by or rented to a tenant of an "insured" or a resident in your household; or
  - e. Arising out of:
    - (1) A "business" engaged in by an "insured";
    - (2) Any act or omission in connection with a premises owned, rented or controlled by an "insured", other than the "insured location"; or
    - (3) The ownership, maintenance, occupancy, operation, use, loading or unloading of aircraft, hovercraft, watercraft or "motor vehicles".

This exclusion e.(3) does not apply to a "motor vehicle" that:

- (a) Is designed for recreational use off public roads;
- (b) Is not owned by an "insured"; and
- (c) At the time of the "occurrence", is not required by law, or regulation issued by a government agency, to have been registered for it to be used on public roads or property.

### D. Loss Assessment

1. We will pay up to \$1,000 for your share of loss assessment charged against you, as owner or tenant of the "residence premises", during the policy period by a corporation or association of property owners, when the assessment is made as a result of:
  - a. "Bodily injury" or "property damage" not excluded from coverage under Section II – Exclusions; or
  - b. Liability for an act of a director, officer or trustee in the capacity as a director, officer or trustee, provided such person:
    - (1) Is elected by the members of a corporation or association of property owners; and
    - (2) Serves without deriving any income from the exercise of duties which are solely on behalf of a corporation or association of property owners.
2. Paragraph I. Policy Period under Section II – Conditions does not apply to this Loss Assessment Coverage.
3. Regardless of the number of assessments, the limit of \$1,000 is the most we will pay for loss arising out of:
  - a. One accident, including continuous or repeated exposure to substantially the same general harmful condition; or
  - b. A covered act of a director, officer or trustee. An act involving more than one director, officer or trustee is considered to be a single act.
4. We do not cover assessments charged against you or a corporation or association of property owners by any governmental body.

## **SECTION II – CONDITIONS**

### **A. Limit Of Liability**

Our total liability under Coverage **E** for all damages resulting from any one "occurrence" will not be more than the Coverage **E** limit of liability shown in the Declarations. This limit is the same regardless of the number of "insureds", claims made or persons injured. All "bodily injury" and "property damage" resulting from any one accident or from continuous or repeated exposure to substantially the same general harmful conditions shall be considered to be the result of one "occurrence".

Our total liability under Coverage **F** for all medical expense payable for "bodily injury" to one person as the result of one accident will not be more than the Coverage **F** limit of liability shown in the Declarations.

### **B. Severability Of Insurance**

This insurance applies separately to each "insured". This condition will not increase our limit of liability for any one "occurrence".

### **C. Duties After "Occurrence"**

In case of an "occurrence", you or another "insured" will perform the following duties that apply. We have no duty to provide coverage under this policy if your failure to comply with the following duties is prejudicial to us. You will help us by seeing that these duties are performed:

1. Give written notice to us or our agent as soon as is practical, which sets forth:
  - a. The identity of the policy and the "named insured" shown in the Declarations;
  - b. Reasonably available information on the time, place and circumstances of the "occurrence"; and
  - c. Names and addresses of any claimants and witnesses;
2. Cooperate with us in the investigation, settlement or defense of any claim or suit;
3. Promptly forward to us every notice, demand, summons or other process relating to the "occurrence";
4. At our request, help us:
  - a. To make settlement;
  - b. To enforce any right of contribution or indemnity against any person or organization who may be liable to an "insured";
  - c. With the conduct of suits and attend hearings and trials; and
  - d. To secure and give evidence and obtain the attendance of witnesses;

5. With respect to **C. Damage To Property Of Others** under Section II – Additional Coverages, submit to us within 60 days after the loss, a sworn statement of loss and show the damaged property, if in an "insured's" control;

6. No "insured" shall, except at such "insured's" own cost, voluntarily make payment, assume obligation or incur expense other than for first aid to others at the time of the "bodily injury".

### **D. Duties Of An Injured Person – Coverage F – Medical Payments To Others**

1. The injured person or someone acting for the injured person will:
  - a. Give us written proof of claim, under oath if required, as soon as is practical; and
  - b. Authorize us to obtain copies of medical reports and records.
2. The injured person will submit to a physical exam by a doctor of our choice when and as often as we reasonably require.

### **E. Payment Of Claim – Coverage F – Medical Payments To Others**

Payment under this coverage is not an admission of liability by an "insured" or us.

### **F. Suit Against Us**

1. No action can be brought against us unless there has been full compliance with all of the terms under this Section II.
2. No one will have the right to join us as a party to any action against an "insured".
3. Also, no action with respect to Coverage **E** can be brought against us until the obligation of such "insured" has been determined by final judgment or agreement signed by us.

### **G. Bankruptcy Of An "Insured"**

Bankruptcy or insolvency of an "insured" will not relieve us of our obligations under this policy.

### **H. Other Insurance**

This insurance is excess over other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this policy.

### **I. Policy Period**

This policy applies only to "bodily injury" or "property damage" which occurs during the policy period.

### **J. Concealment Or Fraud**

We do not provide coverage to an "insured" who, whether before or after a loss, has:

1. Intentionally concealed or misrepresented any material fact or circumstance;
2. Engaged in fraudulent conduct; or

3. Made false statements;  
relating to this insurance.

## **SECTIONS I AND II – CONDITIONS**

### **A. Liberalization Clause**

If we make a change which broadens coverage under this edition of our policy without additional premium charge, that change will automatically apply to your insurance as of the date we implement the change in your state, provided that this implementation date falls within 60 days prior to or during the policy period stated in the Declarations.

This Liberalization Clause does not apply to changes implemented with a general program revision that includes both broadenings and restrictions in coverage, whether that general program revision is implemented through introduction of:

1. A subsequent edition of this policy; or
2. An amendatory endorsement.

### **B. Waiver Or Change Of Policy Provisions**

A waiver or change of a provision of this policy must be in writing by us to be valid. Our request for an appraisal or examination will not waive any of our rights.

### **C. Cancellation**

1. You may cancel this policy at any time by returning it to us or by letting us know in writing of the date cancellation is to take effect.
2. We may cancel this policy only for the reasons stated below by letting you know in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. Proof of mailing will be sufficient proof of notice.
  - a. When you have not paid the premium, we may cancel at any time by letting you know at least 10 days before the date cancellation takes effect.
  - b. When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by letting you know at least 10 days before the date cancellation takes effect.
  - c. When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:
    - (1) If there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy; or
    - (2) If the risk has changed substantially since the policy was issued.

This can be done by letting you know at least 30 days before the date cancellation takes effect.

- d. When this policy is written for a period of more than one year, we may cancel for any reason at anniversary by letting you know at least 30 days before the date cancellation takes effect.

3. When this policy is canceled, the premium for the period from the date of cancellation to the expiration date will be refunded pro rata.

4. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

### **D. Nonrenewal**

We may elect not to renew this policy. We may do so by delivering to you, or mailing to you at your mailing address shown in the Declarations, written notice at least 30 days before the expiration date of this policy. Proof of mailing will be sufficient proof of notice.

### **E. Assignment**

Assignment of this policy will not be valid unless we give our written consent.

### **F. Subrogation**

An "insured" may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us.

If an assignment is sought, an "insured" must sign and deliver all related papers and cooperate with us.

Subrogation does not apply to Coverage **F** or Paragraph **C**. Damage To Property Of Others under Section **II** – Additional Coverages.

### **G. Death**

If any person named in the Declarations or the spouse, if a resident of the same household, dies, the following apply:

1. We insure the legal representative of the deceased but only with respect to the premises and property of the deceased covered under the policy at the time of death; and
2. "Insured" includes:
  - a. An "insured" who is a member of your household at the time of your death, but only while a resident of the "residence premises"; and
  - b. With respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **SPECIAL PROVISIONS – ARKANSAS**

### **SECTION I – CONDITIONS**

**E. Appraisal** is replaced by the following:

**E. Appraisal**

If you and we fail to agree on the amount of loss, an appraisal of the loss may take place. However, an appraisal will take place only if both you and we agree, voluntarily, to have the loss appraised. If so agreed, each party will choose a competent and impartial appraiser within 20 days after both parties agree. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court of record in the state where the "residence premises" is located. The appraisers will separately state the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. An appraisal decision will not be binding on either party.

Each party will:

1. Pay its own appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

**G. Suit Against Us** is deleted and replaced by the following:

**G. Suit Against Us**

No action can be brought against us unless there has been full compliance with all of the terms under Section I of this policy and the action is started within five years after the date of loss.

**K. Mortgage Clause**

Paragraph 3. is replaced by the following:

3. If we decide to cancel this policy, the mortgagee will be notified:

- a. At least 10 days before the date cancellation takes effect if:
  - (1) We cancel for nonpayment of premium; or
  - (2) The policy has been in effect for less than 60 days and is not a renewal with us; or

b. At least 20 days before the date cancellation takes effect in all other cases.

If we decide not to renew this policy, the mortgagee will be notified at least 30 days before the date nonrenewal takes effect.

**R. Loss Payable Clause** is replaced by the following:

If the Declarations show a loss payee for certain listed insured personal property, the definition of "insured" is changed to include that loss payee with respect to that property.

If we decide to cancel this policy, that loss payee will be notified in writing.

If we decide to not renew this policy, that loss payee will be notified in writing at least 30 days before the date nonrenewal takes effect.

(This is Condition Q. in Form HO 00 04.)

### **SECTIONS I AND II – CONDITIONS**

**C. Cancellation**

Paragraphs 2.c. and 2.d are replaced by the following:

c. When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel:

- (1) Upon discovery of fraud or material misrepresentation made by or with the knowledge of the named insured in obtaining or continuing the policy, or in presenting a claim under this policy;
- (2) Upon the occurrence of a material change in the risk which substantially increases any hazard insured against after insurance coverage has been issued;
- (3) If there is a violation of any local fire, health, safety, building or construction regulation or ordinance with respect to any insured property which substantially increases any hazard insured against;
- (4) For nonpayment of membership dues required by us as a condition of the issuance and maintenance of the policy; or

(5) In the event of a material violation of a material provision of this policy.

This can be done by letting you know at least 20 days before the date cancellation takes effect.

- d. When this policy is written for a period of more than one year, we may cancel for any reason(s) noted in **2.c** at anniversary by letting you know at least 20 days before the date cancellation takes effect.

**F. Subrogation** is replaced by the following:

**F. Subrogation**

An "insured" may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us. However, we will be entitled to a recovery only after an "insured" has been fully compensated for the loss sustained.

If an assignment is sought, an "insured" must sign and deliver all related papers and cooperate with us.

Subrogation does not apply to Coverage **F** or Paragraph **C. Damage To Property Of Others** under Section **II – Additional Coverages**.

All other provisions of this policy apply.

POLICY NUMBER:

HOMEOWNERS  
HO 04 10 10 00

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INTERESTS**

Residence Premises

### **SCHEDULE\***

Name And Address Of Person Or Organization:

Effective Date Of Interest: (Optional)

Description Of Interest:

Name And Address Of Person Or Organization:

Effective Date Of Interest: (Optional)

Description Of Interest:

\* Entries may be left blank if shown elsewhere in this policy for this coverage.

In addition to the Mortgagee(s) shown in the Declarations or elsewhere in this policy, the persons or organizations named in the Schedule above also have an interest in the "residence premises".

### **CANCELLATION AND NONRENEWAL NOTIFICATION**

If we decide to cancel or not to renew this policy, the persons or organizations named in the Schedule will be notified in writing.

All other provisions of this policy apply.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **PREMISES ALARM OR FIRE PROTECTION SYSTEM**

We acknowledge the installation of an alarm system and/or automatic sprinkler system approved by us on the "residence premises". You agree to maintain this system or systems, for which we have granted a credit, in working order and to let us know promptly of any change, including removal, made to the system(s).

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED**  
**RESIDENCE PREMISES**

**SCHEDULE\***

Name And Address Of Person Or Organization

Interest

\*Entries may be left blank if shown elsewhere in this policy for this coverage.

**DEFINITIONS**

Definition **5.** which defines "insured" is extended to include the person or organization named in the Schedule above, but only with respect to:

1. Coverage **A** – Dwelling and Coverage **B** – Other Structures; and
2. Coverage **E** – Personal Liability and Coverage **F** – Medical Payments To Others but only with respect to "bodily injury" or "property damage" arising out of the ownership, maintenance or use of the "residence premises".

**SECTION II – EXCLUSIONS**

This coverage does not apply to "bodily injury" to an "employee", "residence employee" or a temporary employee furnished to the "insured" to substitute for a permanent "residence employee" arising out of or in the course of the employee's employment by the person or organization.

**CANCELLATION AND NONRENEWAL  
NOTIFICATION**

If we decide to cancel or not to renew this policy, the person or organization named in the Schedule will be notified in writing.

All other provisions of this policy apply.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ACTUAL CASH VALUE LOSS SETTLEMENT**

### **SECTION I – CONDITIONS**

Paragraph **C. Loss Settlement** is deleted and replaced by the following:

#### **C. Loss Settlement**

Covered property losses shall be settled at actual cash value at the time of loss but shall not be settled at more than the amount required to repair or replace.

All other provisions of this policy apply.

THIS ENDORSEMENT DOES **NOT** CONSTITUTE A REDUCTION OF COVERAGE.

**NO SECTION II – LIABILITY COVERAGES FOR  
HOME DAY CARE BUSINESS  
LIMITED SECTION I – PROPERTY COVERAGES FOR  
HOME DAY CARE BUSINESS**

- A.** "Business", as defined in the policy, means:
1. A trade, profession or occupation engaged in on a full-time, part-time, or occasional basis; or
  2. Any other activity engaged in for money or other compensation, except the following:
    - a. One or more activities:
      - (1) Not described in **b.** through **d.** below; and
      - (2) For which no "insured" receives more than \$2000 in total compensation for the 12 months before the beginning of the policy period;
    - b. Volunteer activities for which no money is received other than payment for expenses incurred to perform the activity;
    - c. Providing home day care services for which no compensation is received, other than the mutual exchange of such services; or
    - d. The rendering of home day care services to a relative of an "insured".
- B.** If an "insured" regularly provides home day care services to a person or persons other than "insureds" as their trade, profession or occupation, that service is a "business".
- C.** If home day care service is not a given "insured's" trade, profession or occupation but is an activity:
1. That an "insured" engages in for money or other compensation; and
  2. From which an "insured" receives more than \$2,000 in total/combined compensation from it and any other activity for the 12 months before the beginning of the policy period;
- the home day care service and other activity will be considered a "business".
- D.** With respect to **C.** above, home day care service is only an example of an activity engaged in for money that may be a "business". Any single activity or combination of activities:
1. Described in **A.2.** above, and
  2. Engaged in for money by a single "insured";
- may be considered a "business" if the \$2000 threshold is exceeded.
- E.** With respect to **A.** through **D.** above, coverage does not apply to or is limited with respect to home day care service which is a "business". For example, this policy:
1. Does not provide:
    - a. Section **II** coverages. This is because a "business" of an "insured" is excluded under **E.2.** of Section **II** – Exclusions;
    - b. Coverage, under Section **I**, for other structures from which any "business" is conducted; and
  2. Limits Section **I** coverage, under Coverage **C** – Special Limits of Liability, for "business" property:
    - a. On the "residence premises" for the home day care "business" to \$2,500. This is because Category **h.** (**e.** in Form **HO 00 08**) imposes that limit on "business" property on the "residence premises";
    - b. Away from the "residence premises" for the home day care "business" to \$500. This is because Category **i.** (**f.** in Form **HO 00 08**) imposes that limit on "business" property away from the "residence premises". Category **i.** does not apply to property described in Categories **j.** and **k.** (**g.** and **h.** respectively in Form **HO 00 08**).

## ARKANSAS FRAUD STATEMENT

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.



# Amendatory Mandatory Endorsement - Arkansas

This Endorsement Changes The Policy. Please Read It Carefully.

For Use With Form HO 00 08 10 00

## SECTION I – EXCLUSIONS

The first paragraph of **Section I – Exclusions** is deleted in its entirety and replaced with the following:

We do not insure under any coverage for loss which would not have occurred in the absence of one or more of the following excluded events. We do not insure for such loss regardless of: (a) the cause of the excluded event; or (b) other causes of the loss; or (c) whether other causes acted concurrently or in any sequence with the excluded event to produce the loss; or (d) whether the event occurs suddenly or gradually, involves isolated or widespread damage, or arises from natural or external forces.

Exclusion **3. Water Damage** of **Section I – Exclusions** is deleted in its entirety and replaced with the following:

### 3. Water Damage

Water Damage means:

- a. "Flood";
- b. Water or water-borne material which backs up through sewers or drains or which overflows or is discharged from a sump, sump pump or related equipment; or
- c. Water or water-borne material below the surface of the ground, including water which exerts pressure on or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure;

caused by or resulting from human or animal forces or any act of nature.

Direct loss by fire, explosion or theft resulting from water damage is covered.

"Flood" means:

- (1) Flood, storm surge, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind;
- (2) Release of water held by a dam, levee or dike or by a water or flood control device, or spray from any of these, whether or not driven by wind.

All other provisions of the policy apply.

# **Amendatory Mandatory Asbestos And Lead Exclusion**

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**This Endorsement Changes The Policy. Please Read It Carefully.**

**For Use With Form HO 00 08 10 00**

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## **Section I – Exclusions**

The following exclusion is added to **Section I – Exclusions**:

### **Asbestos or Lead**

Asbestos or Lead means:

- (1) the contact with;
- (2) exposure to;
- (3) contamination by; or
- (4) discharge, dispersal, seepage, migration, release, escape, spread, presence, existence, or any effect of asbestos or lead.

## **Section II – Exclusions**

The following exclusion is added to **Section II – Exclusions**:

### **Asbestos or Lead**

This policy does apply to the following:

1. “Bodily injury” or “property damage” arising out of or caused directly or indirectly by the:
  - a. contact with;
  - b. exposure to;
  - c. contamination by;
  - d. ingestion of; or
  - e. discharge, dispersal, seepage, migration, release, escape, spread, presence, existence, or any effect of asbestos or lead;
2. Any loss, cost or expense arising out of any:
  - a. Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of, asbestos or lead; or
  - b. Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, asbestos or lead.

All other provisions of this policy apply.

# **Notice To Policyholders**

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## **Earthquake Market Assistance Program**

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The possibility of a major earthquake occurring in the state poses a serious threat to citizens of Arkansas. Most homeowner (including renter and condominium owners), farmowner and dwelling fire policies do not provide earthquake coverage or may provide less than 100% coverage for damage due to an earthquake. You should review your policy or talk with your agent to determine whether you have earthquake coverage.

The market for residential earthquake coverage in Arkansas has declined over the past several years. In response to these market conditions, a Market Assistance Program (MAP) has been developed to assist consumers in obtaining residential earthquake coverage. Individuals qualify to purchase residential earthquake coverage through the MAP simply by having underlying homeowners, farmowners or dwelling fire coverage that excludes the earthquake peril.

A list of insurers participating in the MAP may be obtained by contacting your agent or calling 1-800-852-5494. You may also elect to maintain earthquake coverage which you may have already purchased.

This notice does not provide you with earthquake coverage nor does it increase any amounts of earthquake coverage you may have.

# Home Protectors Additional Extended Coverage – Limited Water Damage Protection

This Endorsement Changes The Policy. Please Read It Carefully.

For Use With Form HO 00 08 10 00

**When a Premium for Additional Extended Coverage is shown in the Declarations, the following is made part of the Perils Insured Against.**

**Sudden and Accidental Discharge, Leakage, Overflow or Release of Water or Steam.**

- a. This peril means sudden and accidental discharge, leakage, overflow or release of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance that occurs quickly and abruptly.
- b. This peril does not include loss:
  - (1) Caused by constant, repeated or intermittent discharge, leakage, overflow or release of water or steam or the presence or condensation of humidity, moisture or vapor over a period of weeks, months or years, even if the discharge, leakage, overflow or release of water or steam, or any resulting loss, is hidden or concealed.
  - (2) Caused by sudden and accidental discharge, leakage, overflow or release of water or steam from within a plumbing, heating or air conditioning system that is either below the surface of the ground or within or below the slab or foundation.
  - (3) Caused by "fungi" or microbes.

- a. "Fungi" or microbes, means the presence, growth, proliferation, spread or any activity of "fungi" or microbes. "Fungi" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

This exclusion also applies to the cost:

- (1) To remove "fungi" or microbes from property covered under Section I – Property Coverages;
  - (2) To tear out and replace any part of the building or other covered property as needed to gain access to the "fungi" or microbes; and
  - (3) Of testing of air or property to confirm the absence, presence or level of "fungi" or microbes;
- b. Exclusion (3) a. applies unless the "fungi" or microbes are located upon the portion of covered property which must be repaired or replaced because of direct physical damage resulting from sudden and accidental discharge or overflow of water which would otherwise be covered under this endorsement.
  - c. However, the exception to the exclusion described in (3) b. does not include:
    - (1) The cost to treat, contain, remove or dispose of the "fungi" or microbes beyond that which is required to repair or replace the covered property physically damaged by water;

- (2) The cost of any testing of air or property to confirm the absence, presence or level of "fungi" or microbes whether performed prior to, during or after removal, repair, restoration or replacement;
  - (3) The cost of any decontamination of the "residence premises"; and
  - (4) Any increase in loss under Coverage **D** – Loss of Use and Additional Coverage **1**. Debris Removal resulting from **c. (1), (2) and (3)**.
- (4) Caused by wet rot, dry rot, rust, corrosion, decay or deterioration of covered property.
- (5) To the system or appliance from which the water or steam escaped.
- (6) Caused by or resulting from freezing.
- (7) On the "residence premises" caused by sudden and accidental discharge or overflow which occurs off the "residence premises"; or
- (8) On the "residence premises" if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.
- c.** In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.
- d.** This peril covers the cost of tearing out and replacing any part of the dwelling structure, excluding the slab or foundation necessary to repair or replace the system or appliance from which the water or steam was discharged, leaked, overflowed or was released.
- e.** The total limit of liability for the combined amount of all physical loss caused by this peril to the property described in Coverage A – Dwelling, Coverage B – Other Structures and Coverage C – Personal Property is indicated in the Declarations under Additional Extended Coverage. This limit of liability is not additional insurance. It is included in the limits of liability for Coverage A - Dwelling, Coverage B – Other Structures and Coverage C – Personal Property.

All other terms of this policy apply.

# Exclusion of Cosmetic Damage to Roof Surfacing Caused by Hail

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**This Endorsement Changes The Policy. Please Read It Carefully.**

(This endorsement may be attached only to policies insuring risks with metal roofs.)

**For Use With Form HO 00 08 10 00**

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The following exclusion is added to **Section I – Exclusions**:

## **Cosmetic Roof Damage**

Cosmetic Roof Damage means hail damage to roof surfacing that alters its physical appearance but does not cause an opening in the roof surfacing.

All other provisions of the policy apply.

# Canine Exclusion Endorsement

---

This Endorsement Changes The Policy. Please Read It Carefully.

## Section II – Exclusions

The following exclusion is added to **Section II – Exclusions**:

This policy does not cover liability for “bodily injury” or “property damage” arising out of the:

- a. ownership;
- b. care;
- c. custody; or
- d. control

of any dog or canine by any “insured”.

All of the other provisions of this policy apply.

# Animal Exclusion Endorsement

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**This Endorsement Changes The Policy. Please Read It Carefully.**

## **Section II – Exclusions**

The following exclusion is added to **Section II – Exclusions**:

### **Animal Liability**

This policy does not cover liability for “bodily injury” or “property damage” arising out of the:

- a. ownership;
- b. care;
- c. custody; or
- d. control

of any animal by any “insured”.

All of the other provisions of this policy apply.



|               |                |
|---------------|----------------|
| Named Insured | Policy Number  |
| TEST; RATES   | HI1 2356593 00 |

Pay Plan

|              |
|--------------|
| INSTALLMENT  |
| BILL INSURED |

Special Messages

Mortgagees

Number 1

Number 2

Loan Number

Loan Number

Rating Information

|              |                 |                 |                 |               |
|--------------|-----------------|-----------------|-----------------|---------------|
| CONSTRUCTION | YR CONSTRUCTED  | FAMILIES        | RESIDENCY TYPE  | CITY LIMIT    |
| FRAME        | 2000            | 1               | PRIMARY         | INSIDE CITY   |
| TERRITORY    | PROT-CLASS/BCEG | FEET TO HYDRANT | MILES FRM STATN | ROOF MATERIAL |
| 32           | 06 99           | 101             | 1               | COMPOSITION   |

Coverage Descriptions

|            |
|------------|
| Issue Date |
| 02/09/07   |

|                |
|----------------|
| CO/ST/DO/Agent |
| 12 35 15 5518  |

|                           |
|---------------------------|
| Authorized Representative |
|                           |

Agency and Mailing Address  
 AGENCY INC



(800) 224-1245

|                                   |                  |
|-----------------------------------|------------------|
| Named Insured and Mailing Address | Insuring Company |
| TEST; RATES                       | REPUBLIC COMPANY |
|                                   | 5525 LBJ FREEWAY |
|                                   | DALLAS, TX 75240 |
|                                   | (800) 344-2275   |

Policy Number HI1 2356593 00  
 Activity HOMEOWNERS POLICY NEW DECLARATION

Residence  
 Premises SAME AS ABOVE

Special Messages THIS POLICY DOES NOT PROVIDE COVERAGE FOR LEAD POISONING, CONTAMINATION, OR OTHER LEAD RELATED LIABILITY.

|               |           |          |                          |  |
|---------------|-----------|----------|--------------------------|--|
| Policy Period | Effective | Expires  | Effective date of change |  |
|               | 03/01/07  | 03/01/08 |                          | At 12:01 AM Standard Time at the residence premises. |

Deductibles for Section I. ALL PERILS DEDUCTIBLE \$1000

Coverages & Premiums Coverage at the residence premises is provided only where a limit of liability is shown or a premium is stated.

| Coverages Section I.                        | Limit of Liability | Premiums |
|---|--------------------|----------|
| A. Dwelling                                 | \$ 140,000         | 1,395    |
| B. Other Structure                          | \$ 14,000          | INCL     |
| C. Personal Property                        | \$ 70,000          | INCL     |
| D. Loss of Use                              | \$ 28,000          | INCL     |
| Coverages Section II.                       |                    |          |
| E. Personal Liability (each occurrence)     | \$ 100,000         | INCL     |
| F. Medical Payments to Others (each person) | \$ 1,000           | INCL     |

Forms & Endorsements

|         |                                     |
|---------|-------------------------------------|
| HO-0003 | SPECIAL FORM                        |
| HO-0111 | SPECIAL PROVISIONS                  |
| HO-0432 | LIMITED FUNGI, ROT AND BACTERIA COV |
| HO-0496 | LIMITED COVERAGE - HOME DAY CARE    |
| IL-0179 | 0494 MODIFIED NOTICE                |
| PR-2001 | 0804 PRIVACY NOTICE                 |

56

|                     |                                  |       |
|---------------------|----------------------------------|-------|
| Premium Adjustments | DEDUCTIBLE ADJUSTMENT            | 265CR |
|                     | HAIL RESISTANT ROOF CONSTRUCTION | 209CR |
|                     | NEW HOME CREDIT                  | INCL  |

|               |                |        |
|---------------|----------------|--------|
| Total Premium | ANNUAL PREMIUM | \$ 977 |
|---------------|----------------|--------|



## **Important Notice About The Protection Of Your Privacy**

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We value your business and the trust you've placed in us. That's why we want to assure you that we are serious about keeping your personal information private before, during and after your business relationship with us. This notice describes our policy regarding the collection and disclosure of personal information.

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### **Collecting Information**

We collect nonpublic personal information about you from the following sources:

- Information we receive from you on applications or other forms
- Information about your transactions with us, our affiliates or others
- Information we receive from a consumer reporting agency

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### **Disclosing Information**

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law.

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### **Confidentiality and Security**

We restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Your policy is written in one of the following companies, each a separate legal entity:

Republic Underwriters Insurance Company  
Republic Fire and Casualty Insurance Company  
Republic-Vanguard Insurance Company  
Republic Lloyds  
Southern Insurance Company  
Southern County Mutual Insurance Company  
Southern Underwriters Insurance Company  
Southern Vanguard Insurance Company

|                                 |   |                               |  |
|---------------------------------|---|-------------------------------|--|
| <i>SERFF Tracking Number:</i>   | <i>TRGR-125377279</i>                             | <i>State:</i>                 | <i>Arkansas</i>                          |
| <i>Filing Company:</i>          | <i>Southern Insurance Company</i>                 | <i>State Tracking Number:</i> | <i>#302177 \$50</i>                      |
| <i>Company Tracking Number:</i> | <i>07-208</i>                                     |                               |  |
| <i>TOI:</i>                     | <i>04.0 Homeowners</i>                            | <i>Sub-TOI:</i>               | <i>04.0003 Owner Occupied Homeowners</i> |
| <i>Product Name:</i>            | <i>Arkansas Home Protectors</i>                   |                               |  |
| <i>Project Name/Number:</i>     | <i>Initial Form and Endorsement Filing/07-208</i> |                               |  |

## **Rate Information**

Rate data does NOT apply to filing.

SERFF Tracking Number: TRGR-125377279 State: Arkansas  
Filing Company: Southern Insurance Company State Tracking Number: #302177 \$50  
Company Tracking Number: 07-208  
TOI: 04.0 Homeowners Sub-TOI: 04.0003 Owner Occupied Homeowners  
Product Name: Arkansas Home Protectors  
Project Name/Number: Initial Form and Endorsement Filing/07-208

## Supporting Document Schedules

**Satisfied -Name:** Uniform Transmittal Document-  
Property & Casualty **Review Status:** Approved 01/11/2008

**Comments:**

**Attachments:**

AR HO8 Forms.pdf  
pc\_form - ARh p2.pdf

**Satisfied -Name:** Filing Memorandum **Review Status:** Approved 01/11/2008

**Comments:**

**Attachment:**

Filing Memorandum AHP HO.pdf

## Property & Casualty Transmittal Document

|   |   |
|---|---|
| <b>1. Reserved for Insurance Dept. Use Only</b> | <b>2. Insurance Department Use only</b><br>a. Date the filing is received:<br>b. Analyst:<br>c. Disposition:<br>d. Date of disposition of the filing:<br>e. Effective date of filing:<br><div style="display: flex; justify-content: space-between;"> <div style="width: 60%;">New Business</div> <div style="width: 40%;"></div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;">Renewal Business</div> <div style="width: 40%;"></div> </div> f. State Filing #:<br>g. SERFF Filing #:<br>h. Subject Codes |
|---|---|

|           |                        |                     |               |               |                |
|-----------|------------------------|---------------------|---------------|---------------|----------------|
| <b>3.</b> | <b>Group Name</b>      | <b>Group NAIC #</b> |               |               |                |
| <b>4.</b> | <b>Company Name(s)</b> | <b>Domicile</b>     | <b>NAIC #</b> | <b>FEIN #</b> | <b>State #</b> |
|           |                        |                     |               |               |                |
|           |                        |                     |               |               |                |
|           |                        |                     |               |               |                |
|           |                        |                     |               |               |                |
|           |                        |                     |               |               |                |
|           |                        |                     |               |               |                |

|           |                                |  |
|-----------|--------------------------------|--|
| <b>5.</b> | <b>Company Tracking Number</b> |  |
|-----------|--------------------------------|--|

**Contact Info of Filer(s) or Corporate Officer(s)** [include toll-free number]

|           |                                       |              |                     |              |               |
|-----------|---------------------------------------|--------------|---------------------|--------------|---------------|
| <b>6.</b> | <b>Name and address</b>               | <b>Title</b> | <b>Telephone #s</b> | <b>FAX #</b> | <b>e-mail</b> |
|           |                                       |              |                     |              |               |
|           |                                       |              |                     |              |               |
| <b>7.</b> | Signature of authorized filer         |              |                     |              |               |
| <b>8.</b> | Please print name of authorized filer |              |                     |              |               |

**Filing information** (see General Instructions for descriptions of these fields)

|            |   |   |  |          |  |
|------------|---|---|--|----------|--|
| <b>9.</b>  | <b>Type of Insurance (TOI)</b>  |   |  |          |  |
| <b>10.</b> | <b>Sub-Type of Insurance (Sub-TOI)</b>  |   |  |          |  |
| <b>11.</b> | <b>State Specific Product code(s)(if applicable)[See State Specific Requirements]</b> |   |  |          |  |
| <b>12.</b> | <b>Company Program Title (Marketing title)</b>  |   |  |          |  |
| <b>13.</b> | <b>Filing Type</b>  | <input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules<br><input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms<br><input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description) |  |          |  |
| <b>14.</b> | <b>Effective Date(s) Requested</b>  | New:  |  | Renewal: |  |
| <b>15.</b> | <b>Reference Filing?</b>  | <input type="checkbox"/> Yes <input type="checkbox"/> No  |  |          |  |
| <b>16.</b> | <b>Reference Organization (if applicable)</b>   |   |  |          |  |
| <b>17.</b> | <b>Reference Organization # &amp; Title</b>   |   |  |          |  |
| <b>18.</b> | <b>Company's Date of Filing</b>   |   |  |          |  |
| <b>19.</b> | <b>Status of filing in domicile</b>   | <input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved  |  |          |  |

## Property & Casualty Transmittal Document—

|     |  |  |
|-----|--|--|
| 20. | This filing transmittal is part of Company Tracking #  |  |
| 21. | <b>Filing Description</b> [This area can be used in lieu of a cover letter or filing memorandum and is free-form text] |  |

[illegible]

\*\*\*Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

**FORM FILING SCHEDULE**

(This form must be provided ONLY when making a filing that includes forms)

(Do not refer to the body of the filing for the forms listing, unless allowed by state.)

|           |   |  |  |  |   |
|-----------|---|--|--|--|---|
| <b>1.</b> | <b>This filing transmittal is part of Company Tracking #</b>  |  |  |  |   |
| <b>2.</b> | <b>This filing corresponds to rate/rule filing number</b><br>(Company tracking number of rate/rule filing, if applicable) |  |  |  |   |
| <b>3.</b> | <b>Form Name<br/>/Description/Synopsis</b>  | <b>Form #<br/>Include edition date</b> | <b>Replacement<br/>Or<br/>withdrawn?</b>   | <b>If replacement,<br/>give form #<br/>it replaces</b> | <b>Previous state<br/>filing number,<br/>if required by state</b> |
| 01        |   |  | <input type="checkbox"/> New<br><input type="checkbox"/> Replacement<br><input type="checkbox"/> Withdrawn |  |   |
| 02        |   |  | <input type="checkbox"/> New<br><input type="checkbox"/> Replacement<br><input type="checkbox"/> Withdrawn |  |   |
| 03        |   |  | <input type="checkbox"/> New<br><input type="checkbox"/> Replacement<br><input type="checkbox"/> Withdrawn |  |   |
| 04        |   |  | <input type="checkbox"/> New<br><input type="checkbox"/> Replacement<br><input type="checkbox"/> Withdrawn |  |   |
| 05        |   |  | <input type="checkbox"/> New<br><input type="checkbox"/> Replacement<br><input type="checkbox"/> Withdrawn |  |   |
| 06        |   |  | <input type="checkbox"/> New<br><input type="checkbox"/> Replacement<br><input type="checkbox"/> Withdrawn |  |   |
| 07        |   |  | <input type="checkbox"/> New<br><input type="checkbox"/> Replacement<br><input type="checkbox"/> Withdrawn |  |   |
| 08        |   |  | <input type="checkbox"/> New<br><input type="checkbox"/> Replacement<br><input type="checkbox"/> Withdrawn |  |   |
| 09        |   |  | <input type="checkbox"/> New<br><input type="checkbox"/> Replacement<br><input type="checkbox"/> Withdrawn |  |   |
| 10        |   |  | <input type="checkbox"/> New<br><input type="checkbox"/> Replacement<br><input type="checkbox"/> Withdrawn |  |   |

PC FFS-1



## RATE/RULE FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)

|           |  |  |
|-----------|--|--|
| <b>1.</b> | <b>This filing transmittal is part of Company Tracking #</b> |  |
|-----------|--|--|

|           |   |  |
|-----------|---|--|
| <b>2.</b> | <b>This filing corresponds to form filing number</b><br>(Company tracking number of form filing, if applicable) |  |
|-----------|---|--|

☐ Rate Increase
 ☐ Rate Decrease
 ☐ Rate Neutral (0%)

|           |  |  |
|-----------|--|--|
| <b>3.</b> | <b>Filing Method (Prior Approval, File &amp; Use, Flex Band, etc.)</b> |  |
|-----------|--|--|

|            |   |
|------------|---|
| <b>4a.</b> | <b>Rate Change by Company (As Proposed)</b> |
|------------|---|

| Company Name | Overall % Indicated Change (when applicable) | Overall % Rate Impact | Written premium change for this program | # of policyholders affected for this program | Written premium for this program | Maximum % Change (where required) | Minimum % Change (where required) |
|--------------|--|-----------------------|---|--|----------------------------------|-----------------------------------|-----------------------------------|
|              |  |                       |   |  |                                  |                                   |                                   |
|              |  |                       |   |  |                                  |                                   |                                   |

|            |  |
|------------|--|
| <b>4b.</b> | <b>Rate Change by Company (As Accepted) For State Use Only</b> |
|------------|--|

| Company Name | Overall % Indicated Change (when applicable) | Overall % Rate Impact | Written premium change for this program | # of policyholders affected for this program | Written premium for this program | Maximum % Change | Minimum % Change |
|--------------|--|-----------------------|---|--|----------------------------------|------------------|------------------|
|              |  |                       |   |  |                                  |                  |                  |
|              |  |                       |   |  |                                  |                  |                  |

|           |  |
|-----------|--|
| <b>5.</b> | <b>Overall Rate Information (Complete for Multiple Company Filings only)</b> |
|-----------|--|

|           |   | COMPANY USE | STATE USE |
|-----------|---|-------------|-----------|
| <b>5a</b> | Overall percentage rate indication (when applicable)            |             |           |
| <b>5b</b> | Overall percentage rate impact for this filing                  |             |           |
| <b>5c</b> | Effect of Rate Filing – Written premium change for this program |             |           |
| <b>5d</b> | Effect of Rate Filing – Number of policyholders affected        |             |           |

|           |  |  |
|-----------|--|--|
| <b>6.</b> | Overall percentage of last rate revision |  |
|-----------|--|--|

|           |                                      |  |
|-----------|--------------------------------------|--|
| <b>7.</b> | Effective Date of last rate revision |  |
|-----------|--------------------------------------|--|

|           |   |  |
|-----------|---|--|
| <b>8.</b> | Filing Method of Last filing<br>(Prior Approval, File & Use, Flex Band, etc.) |  |
|-----------|---|--|

| 9. | Rule # or Page # Submitted for Review | Replacement or withdrawn?  | Previous state filing number, if required by state |
|----|---------------------------------------|--|--|
| 01 |                                       | <input type="checkbox"/> New<br><input type="checkbox"/> Replacement<br><input type="checkbox"/> Withdrawn |  |
| 02 |                                       | <input type="checkbox"/> New<br><input type="checkbox"/> Replacement<br><input type="checkbox"/> Withdrawn |  |
| 03 |                                       | <input type="checkbox"/> New<br><input type="checkbox"/> Replacement<br><input type="checkbox"/> Withdrawn |  |

**PROPERTY & CASUALTY FORM FILING SCHEDULE**

(This form must be provided ONLY when making a filing that includes forms.)

(Do **not** refer to the body of the filing for the forms listing, unless allowed by the state.)

|    |   |   |  |  |   |
|----|---|---|--|--|---|
|    | <b>This filing transmittal is part of Company Tracking #</b>  |   |  |  |   |
|    | <b>This filing corresponds to rate/rule filing number</b><br>(Company tracking number of rate/rule filing, if applicable) |   |  |  |   |
|    | <b>Form Name/<br/>Description/Synopsis</b>  | <b>Form#<br/>Include<br/>edition Date</b> | <b>Replacement<br/>Or<br/>Withdrawn</b>  | <b>If<br/>replacement,<br/>give form #<br/>it replaces</b> | <b>Previous state<br/>filing number,<br/>(if required by<br/>state)</b> |
| 1  |   |   | <input type="checkbox"/> New<br><input type="checkbox"/> Replacement<br><input type="checkbox"/> Withdrawn |  |   |
| 2  |   |   | <input type="checkbox"/> New<br><input type="checkbox"/> Replacement<br><input type="checkbox"/> Withdrawn |  |   |
| 3  |   |   | <input type="checkbox"/> New<br><input type="checkbox"/> Replacement<br><input type="checkbox"/> Withdrawn |  |   |
| 4  |   |   | <input type="checkbox"/> New<br><input type="checkbox"/> Replacement<br><input type="checkbox"/> Withdrawn |  |   |
| 5  |   |   | <input type="checkbox"/> New<br><input type="checkbox"/> Replacement<br><input type="checkbox"/> Withdrawn |  |   |
| 6  |   |   | <input type="checkbox"/> New<br><input type="checkbox"/> Replacement<br><input type="checkbox"/> Withdrawn |  |   |
| 7  |   |   | <input type="checkbox"/> New<br><input type="checkbox"/> Replacement<br><input type="checkbox"/> Withdrawn |  |   |
| 8  |   |   | <input type="checkbox"/> New<br><input type="checkbox"/> Replacement<br><input type="checkbox"/> Withdrawn |  |   |
| 9  |   |   | <input type="checkbox"/> New<br><input type="checkbox"/> Replacement<br><input type="checkbox"/> Withdrawn |  |   |
| 10 |   |   | <input type="checkbox"/> New<br><input type="checkbox"/> Replacement<br><input type="checkbox"/> Withdrawn |  |   |

## Filing Memorandum – AHP Homeowners Forms

### ISO Endorsements

HO 00 08 10 00, HO 01 32 02, HO 04 10 10 00, HO 04 16 10 00, HO 04 41 10 00, HO 04 81 10 00, and HO 04 96 10 00 are all ISO forms that are used without modification. HO 00 08 10 00, HO 01 32 02, HO 04 81 10 00 and HO 04 96 10 00 are mandatory; HO 04 16 10 00 and HO 04 41 10 00 are optional.

### Mandatory Endorsements

Amendatory Mandatory Endorsement - Arkansas HP 120 AR 02 08 clarifies the flood exclusion.

Amendatory Mandatory Asbestos and Lead Exclusion HP 953 07 07 excludes losses from asbestos and lead.

### Mandatory Notices

Arkansas Fraud Statement IL N 016 09 03 provides the required fraud notification.

Privacy Notice PR 2001 08 04 Provides required language on privacy.

Notice to Policyholders PHAR 100 02 08 is required on all renewals and provides the required earthquake notification (note: a separate form is provided to all applicants which also includes this language. Since this form is not included on the declarations page, it is not being filed).

### Mandatory Under Certain Conditions

Exclusion of Cosmetic Damage to Roof Surfacing Caused by Hail HP 146 07 07 is used for all metal roofs (note: all metal roofs also receive a premium credit).

Canine Exclusion Endorsement RH 103 07 is used when the risk would otherwise be unacceptable to an exposure from a dog or dogs. Examples would be aggressive breeds (wolf hybrids, for example) or dogs with a history of biting.

Animal Exclusion Endorsement RH 105 07 07 is used when the risk would otherwise be unacceptable to an exposure from an animal or animals, other than dogs. Examples would be animals typically considered wild (for example, tigers, lions) or that are inherently dangerous (for example, poisonous snakes).

### Optional Endorsements

Home Protectors Additional Extended Coverage - Limited Water Damage Protection HP 110 07 07 provides limited coverage for water damage.

### Declarations Page

Declarations Page H-DEC 11 99

|                                 |   |                               |  |
|---------------------------------|---|-------------------------------|--|
| <i>SERFF Tracking Number:</i>   | <i>TRGR-125377279</i>                             | <i>State:</i>                 | <i>Arkansas</i>                          |
| <i>Filing Company:</i>          | <i>Southern Insurance Company</i>                 | <i>State Tracking Number:</i> | <i>#302177 \$50</i>                      |
| <i>Company Tracking Number:</i> | <i>07-208</i>                                     |                               |  |
| <i>TOI:</i>                     | <i>04.0 Homeowners</i>                            | <i>Sub-TOI:</i>               | <i>04.0003 Owner Occupied Homeowners</i> |
| <i>Product Name:</i>            | <i>Arkansas Home Protectors</i>                   |                               |  |
| <i>Project Name/Number:</i>     | <i>Initial Form and Endorsement Filing/07-208</i> |                               |  |

## Superseded Attachments

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

| <b>Original Date:</b> | <b>Schedule</b> | <b>Document Name</b>   | <b>Replaced Date</b> | <b>Attach<br/>Document</b>                             |
|-----------------------|-----------------|--|----------------------|--|
| No original date      | Form            | Home Protectors Additional<br>Extended Coverage - Limited Water<br>Damage Protection | 12/07/2007           | HP 110 07 07<br>Additional<br>Extended<br>Coverage.pdf |

# Home Protectors Additional Extended Coverage – Limited Water Damage Protection

This Endorsement Changes The Policy. Please Read It Carefully.

For Use With Form HO 00 08 10 00

**When a Premium for Additional Extended Coverage is shown in the Declarations, the following is made part of Perils Insured Against.**

## **Sudden and Accidental Discharge, Leakage, Overflow or Release of Water or Steam**

- a. This peril means sudden and accidental discharge, leakage, overflow or release of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system or from within a household appliance that occurs quickly and abruptly.
- b. This peril does not include loss:
  - (1) Caused by constant, repeated or intermittent discharge, leakage, overflow or release of water or steam or the presence or condensation of humidity, moisture or vapor over a period of weeks, months or years, even if the discharge, leakage, overflow or release of water or steam, or any resulting loss, is hidden or concealed;
  - (2) Caused by sudden and accidental discharge, leakage, overflow or release of water or steam from within a plumbing, heating or air conditioning system that is either below the surface of the ground or within or below the slab or foundation;
  - (3) Caused by mold, fungus or wet rot, dry rot, rust, corrosion, decay or deterioration of covered property;
  - (4) To the system or appliance from which the water or steam escaped;
  - (5) Caused by or resulting from freezing;
  - (6) On the “residence premises” caused by sudden and accidental discharge or overflow which occurs off the “residence premises”; or
  - (7) On the “residence premises” if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.
- c. In this peril, a plumbing system or household appliance does not include a sump, sump pump or related equipment or a roof drain, gutter, downspout or similar fixtures or equipment.
- d. This peril covers the cost of tearing out and replacing any part of the dwelling structure, excluding the slab or foundation necessary to repair or replace the system or appliance from which the water or steam was discharged, leaked, overflowed or was released.
- e. The total limit of liability for the combined amount of all physical loss caused by this peril to the property described in Coverage A – Dwelling, Coverage B – Other Structures and Coverage C – Personal Property is indicated in the Declarations under Additional Extended Coverage. This limit of liability is not additional insurance. It is included in the limits of liability for Coverage A - Dwelling, Coverage B – Other Structures and Coverage C – Personal Property.

All other terms of this policy apply.